

17 February 2023

Ms Natalie James
Secretary, Department of Employment and Workplace Relations
Via online submission

Dear Secretary

Thank you for the opportunity to comment on the Jobs and Skills Australia discussion paper. The Business Council of Australia (BCA) welcomes the Government's commitment to skills and training and the establishment of Jobs and Skills Australia (JSA), including the appointment of Interim Director Professor Peter Dawkins.

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. As discussed below, we believe that this should be kept in mind when considering expanding the remit and functions of JSA.

Structure and engagement

The BCA welcomes the proposed structure and governance models outlined in the discussion paper. This includes the Commissioner model and tripartite engagement process, with representatives from industry, unions and state and territory governments on an advisory body to support the JSA Commissioner. In particular, engagement with industry and workers are a key benefit of the JSA setup as all parties have a stake in a well-functioning education, training and employment system.

Key to this engagement process will be the development of annual workplans. It is critical that these are driven, not just informed, by engagement with industry. A strong voice for industry is essential for the development of a responsive skills and training system that meets the needs of business and provides people with productive jobs and grows the economy.

The tripartite advisory body provides an excellent forum for that feedback to be coordinated and discussed with stakeholders and ensure that appropriate consultation on JSA's priorities is taking place. The outcomes of the Employment White Paper process, with its focus on full employment and productivity growth, will also provide a guide for what JSA's priorities and direction should be.

The BCA is pleased to be a member of current JSA Consultative Forum. We believe this will be a fruitful forum for providing strategic advice on the priorities for JSA's work, as well as a conduit for providing JSA with up-to-date industry information and raising potential issues. Beyond this Forum,

JSA should also explore innovative and collaborative partnerships with those in the private sector that have labour market data sets and analytic capabilities to ensure that JSA has access to well-rounded information.

Expanding functions

The BCA welcomes the proposals to develop a deeper evidence base and to take a broader, more economy-wide focus. In particular, this includes the move to more explicitly include higher education as well as vocational education and training (VET) when considering skills and workforce issues. Indeed, this should be broadened even further to consider the role that industry-led training can play, and already does play.

JSA can also play a critical role in ensuring co-ordination between Jobs and Skills Councils and other stakeholders. There will be a need for deep and genuine engagement from industry not just with JSA but also with the Councils, especially on developing fit-for-purpose qualifications and micro-credentials. However, for engagement to be successful it will also need to be prioritised to key issues. One role JSA can play is facilitating lessons learnt and sharing of knowledge across Councils.

The proposed areas of expansion could go beyond the current functions set out in the *Jobs and Skills Australia Act 2022*. Careful attention should be paid to how they are incorporated within amended legislation. It is important to balance the need for certainty with the need for flexibility, particularly when it comes to roles such as cohort-level analysis. We would recommend against being overly prescriptive in designating some of these roles in legislation, with the ability to define some of these roles left to the interpretation of JSA or, perhaps, Ministerial direction.

The expanded responsibilities should not come at the expense of ensuring the early priorities have been successfully implemented. It is critical that any expansion is appropriately resourced, to ensure that there is sufficient capacity and capability to have deep and genuine engagement in all areas within JSA's remit.

Furthermore, as noted above, we believe the primary function of JSA should be on developing Australia's human capital. While the expansions proposed in the discussion paper are consistent with that, we would caution against expanding JSA's remit into other areas, particularly those that are already covered by other government bodies or departments.

The BCA looks forward to continuing to engage with JSA to help meet Australia's future skills and workforce needs.

Yours sincerely



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