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The document must be attributed as the *Australian Government Jobs and Skills Australia Discussion Paper*.

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Acknowledgement of Country

The Department of Employment and Workplace Relations (the department) acknowledges the traditional owners of country throughout Australia on which we gather, live, work and stand. We acknowledge all traditional custodians, their Elders past, present, and emerging and we pay our respects to their continuing connection to their culture, community, land, sea, and water.

Introduction

The Jobs and Skills Australia Bill 2022 passed on 27 October 2022, establishing Jobs and Skills Australia to provide advice to government on current and emerging workforce needs in order to meet the skills needs of a thriving economy.

The Bill delivers on the Australian Government's commitment to establish Jobs and Skills Australia as an independent body to provide advice on the skills and training needs of workers and employers now and in the future.

The priority the government placed on the passage of the Bill recognises that immediate action is needed to help address Australia's skills and labour shortages which have become increasingly critical in many sectors of the economy.

While this first Bill was before the Parliament, the Government consulted widely on what should be considered for Jobs and Skills Australia's key functions and ongoing arrangements. Stakeholders expressed strong support for what Jobs and Skills Australia can deliver. The Government has reflected these views across a number of common themes from consultation and now seeks further feedback to finalise the design of Jobs and Skills Australia. Jobs and Skills Australia will draw upon the knowledge of governments, unions, industry and the wider community to understand current, emerging and future workforce needs, and skills and training issues. Informed by these views, Jobs and Skills Australia's advice will be pivotal in ensuring Australia has skilled workers at national, state and territory, and regional levels, particularly in areas of greatest need. Its advice and influence will provide greater certainty for business, industry and the economy, and greater opportunities for many Australians, particularly those most disadvantaged.

The Government is committed to ensuring Jobs and Skills Australia is a trusted source of advice, delivering the evidence, research, and analysis that drives governments policy, programs, and investment, business and industry planning, and informs the choices Australians make about their education, training and employment.

Delivering on this commitment will rely on Jobs and Skills Australia's data and analysis capability, but also its ability to build a stronger evidence base through deeper and ongoing engagement and expanded outreach to ensure its insights and advice are helping to build the skilled workforce Australia will need in the future.

Have your say

The Government has already heard feedback from, and consulted with, over 70 stakeholders representing governments, industry, unions and education and training providers.

Consultation mechanisms have included:

- individual meetings
- Jobs and Skills Summit submissions
- roundtable discussions led by the Minister
- Senate Education and Employment Legislation Committee inquiry hearings and submissions

Date	Details
June 2022	The Minister for Skills and Training consulted Commonwealth and State and Territory Governments; followed by other tripartite partners.
August 2022	The Senate Education and Employment Legislation Committee called for public submissions into the provisions of the Jobs and Skills Australia Bill 2022; with submissions closing on 19 August 2022. The department reviewed all submissions. Consultation and roundtable discussions with key tripartite stakeholders to hear views on Jobs and Skills Australia's ongoing arrangements.
September 2022	The Jobs and Skills Summit was held, with further discussions on the formation of Jobs and Skills Australia. Outcomes of the Summit can be found at Jobs and Skills Summit September 2022 – Outcomes (treasury.gov.au) .
October 2022 onward	Further stakeholder consultation on Jobs and Skills Australia's ongoing arrangements.

This Discussion Paper is an opportunity for the Australian Government to seek views from interested parties to inform the establishment of Jobs and Skills Australia.

The Government has already undertaken significant consultation while the first Bill was before Parliament and the outcomes have closely informed the design of the proposed Jobs and Skills Australia. Ongoing feedback from stakeholders including government, industry, unions, and education and training sector will influence and shape how the final form will be implemented.

Key dates



How to make a submission

The department welcomes feedback on the discussion paper from interested parties by 5pm AEDT, 10 February 2023. You can provide responses to the questions in this paper through the online submission form at www.dewr.gov.au/jobs-and-skills-australia/consultations/jobs-and-skills-australia-engagement.

IMPORTANT: The department may publish your feedback on its website or cite your feedback in future reports. If you do not wish your feedback to be made public, please indicate this clearly.

Key contacts

General enquiries can be made to the department via the below methods:

Method	Details
Email:	jsaengagement@dewr.gov.au
Post:	Jobs and Skills Australia Discussion Paper Department of Employment and Workplace Relations GPO Box 9880 Canberra ACT 2601
Website:	www.dewr.gov.au/jobs-and-skills-australia/consultations/jobs-and-skills-australia-engagement

Common Themes

Common themes raised by stakeholders include for Jobs and Skills Australia to:

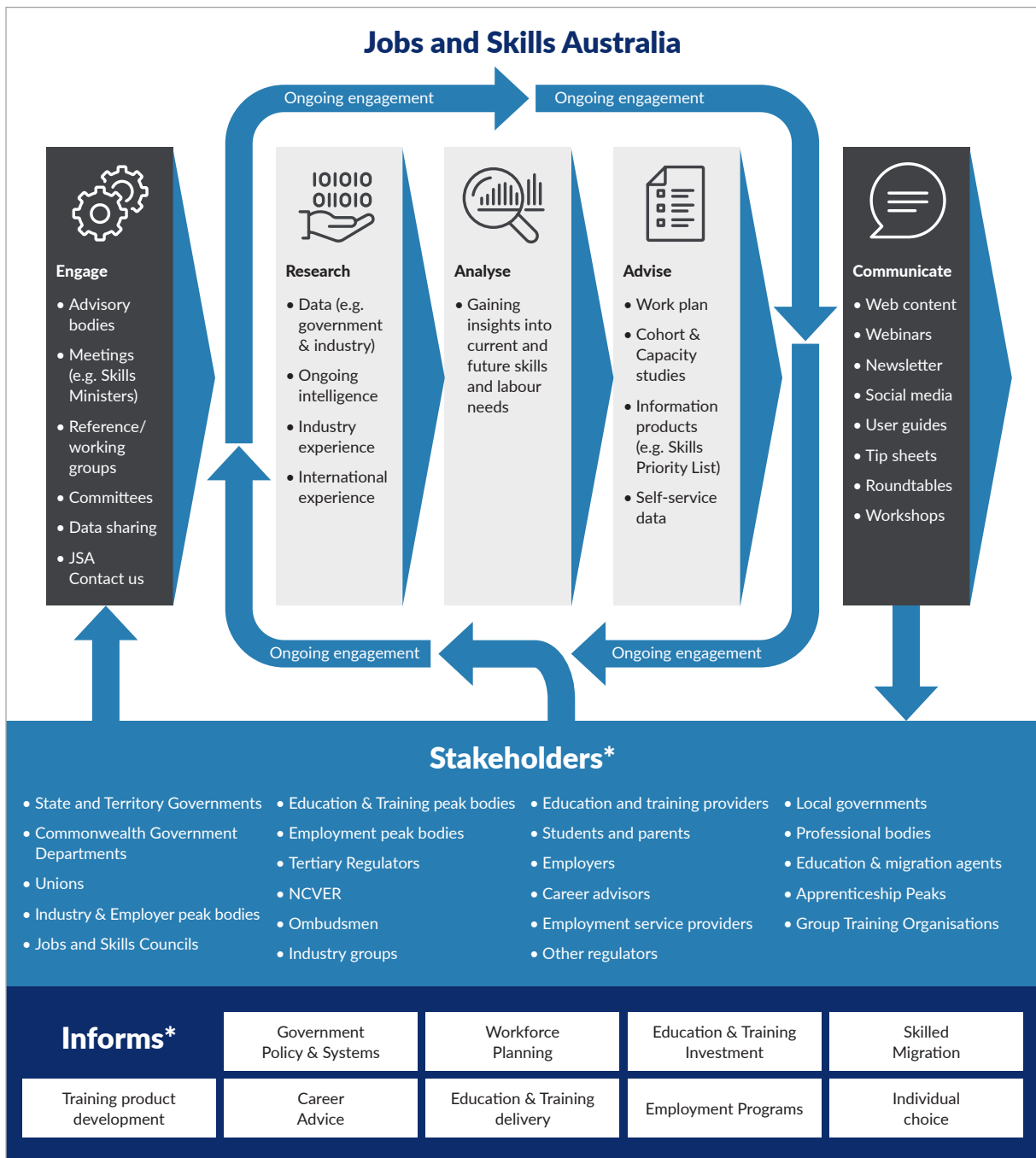
- involve state and territory governments as major purchasers of training and ensure jurisdictional needs are considered, local knowledge informs analysis and products, and more targeted solutions are enabled
- have a multi-disciplinary board, with industry and union representation
- provide more granular data and analysis to inform workforce planning and funding decisions at state and regional levels, and to inform place-based solutions
- provide insights about under-employment, and how to create conditions and pathways to better use the skills and abilities of all Australians, particularly those traditionally disadvantaged
- provide information about workforce supply and demand to understand barriers to participation
- better guide Jobs and Skills Councils to improve workforce planning and training product design
- play a central role in workforce planning and career advice, while also coordinating skills, employment, and migration settings
- provide economy-wide advice that includes higher education.

The Government has used these themes in establishing Jobs and Skills Australia and to inform its proposed final form. Some other themes raised by stakeholders are still under consideration and relate to Jobs and Skills Australia's role as an advisory body and positioning within the broader skills system. A review of Jobs and Skills Australia's operations after the first year will provide an opportunity to reflect on progress and consider the ongoing governance operations of Jobs and Skills Australia.

What is proposed for Jobs and Skills Australia's ongoing operation?

Jobs and Skills Australia will take an economy-wide approach, considering the impact of vocational education and training, higher education, migration and broader factors in meeting Australia's skills and workforce challenges.

Figure 1: Jobs and Skills Australia operating model



*not exhaustive

Structure and governance

Jobs and Skills Australia's first tranche of legislation establishes its interim operations, including an initial set of functions and governance arrangements:

- Jobs and Skills Australia is an independent statutory body that uses digital, physical, and human resources from the Commonwealth Department of Employment and Workplace Relations.
- The Jobs and Skills Australia Director is responsible for overseeing Jobs and Skills Australia's interim operations and functions.

It is proposed that the ongoing structure for Jobs and Skills Australia will continue to operate as a statutory body with independent research, analysis and advice. Jobs and Skills Australia will use staff and support from the department to minimise establishment and ongoing operating costs.

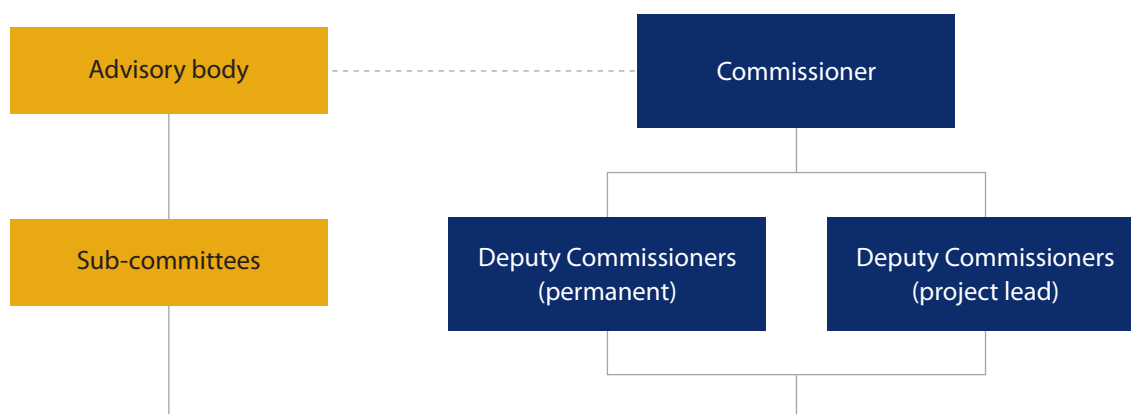
Commissioner model

It is proposed that Jobs and Skills Australia be governed by a senior Commissioner, with supporting Deputy Commissioners, who will actively engage with a tripartite advisory body (see **Figure 2**).

- The Commissioner will be responsible for overseeing Jobs and Skills Australia with a strong focus on stakeholder engagement, including liaison with the tripartite advisory body.
- Deputy Commissioners will share responsibility for implementing Jobs and Skills Australia's work. Additional Deputy Commissioners could be appointed as needed to draw on their skills, experience, and networks to lead key workforce capacity studies, or cohort and regional analyses.

This governance model shown in **Figure 2**, is designed to provide Jobs and Skills Australia's top-level governance with the flexibility to respond to changing priorities, ensuring the right people are in place to lead and deliver at the right time.

Figure 2: Jobs and Skills Australia ongoing arrangements



Tripartite advisory body

Tripartism is fundamental to effective policy and implementation for the Australian Government. Deep and genuine consultation at all levels of government, and with unions, industry and education and training providers, allows for broader perspective to inform the work of governments.

To give effect to the Government's commitment to tripartism, it is proposed that Jobs and Skills Australia's permanent model establish a tripartite advisory body to seek insights from relevant stakeholders on specific skills, labour market and workforce issues as they emerge.

- The advisory body would consist of a mix of tripartite representatives from state and territory governments, unions and industry. It would also include independent experts with relevant skills, experience and networks in one or more of the following areas:
 - skills and training or tertiary education
 - industry, employment or industrial relations
 - data and analysis
 - labour market analysis, workforce planning and economics
 - improving outcomes for priority cohorts, such as women, Aboriginal and Torres Strait Islander peoples, people with disability, people in regional and remote areas, and people experiencing vulnerability or disadvantage.
- The body will not make decisions, rather, its strategic deliberations would support Jobs and Skills Australia's Commissioner to develop Jobs and Skills Australia's annual workplan and provide feedback on the terms of reference for critical workforce capacity studies and cohort and regional analyses.
- The body would also inform Jobs and Skills Australia's advice on skills, labour market and workforce needs and priorities through discussions on Jobs and Skills Australia's key products.
- Members would be expected to consult widely with their networks in the development of advice to Jobs and Skills Australia, and subcommittees could be convened on key elements of Jobs and Skills Australia's work.

This proposal is designed to ensure that Jobs and Skills Australia's advice to Government considers a wide range of perspectives, including jurisdictional and regional needs from across skills and industry.

Discussion questions on structure and governance:

1. Are there other design considerations that could further strengthen Jobs and Skills Australia's ability to provide advice to government?

Functions and ways of working

Expanding upon the initial work of the National Skills Commission, Jobs and Skills Australia's functions aim to enhance the evidence base available to governments and others; to respond to shifts in skills and labour needs at a time of significant economic transition.

The main functions of Jobs and Skills Australia, as set out in its legislation, are to:

- provide advice to the Minister for Skills and Training, and to the Secretary of the department, on Australia's:
 - current and emerging labour market, including workforce needs and priorities, and
 - current, emerging and future skills and training needs and priorities, including apprenticeships.
- provide reports on the labour market and workforce skills and training needs and priorities to assist with Government policy development and program delivery.

Jobs and Skills Australia can also address any matters of priority through its workplan.

The Minister may also give direct instruction, within the remit of legislation, for Jobs and Skills Australia to provide particular advice on skills and training needs that responds to emerging or critical skills issues that fall within its overall objectives.

Expanding Jobs and Skills Australia's functions

It is proposed that Jobs and Skills Australia's initial set of functions be expanded to ensure that it can take a broad, economy-wide perspective in its advice. This includes:

- **improved identification of skills and labour imbalances** across the economy through the development of a national skills supply and demand model
- **strengthen the economy-wide focus** to more explicitly include higher education as well as the vocational education and training sector when considering skills and workforce issues
- **enhanced analysis of regional skills and labour needs**, nuanced to specific areas, providing greater understanding of the labour market for people living in regions, skilled migration needs, and consideration of workforce requirements as they relate to the skills and broader tertiary system
- **enhanced cohort level analysis** to ensure skills and labour market needs are responsive to specific priority cohorts, such as women, over-55s, people with disability, youth and Aboriginal and Torres Strait Islander peoples
- **developing a deeper evidence base** around the impact of insecure work through analysis of the characteristics and labour market experiences of Australians
- **a collaborative relationship with the Jobs and Skills Councils** that strengthens tripartite input into the national evidence base to facilitate the Jobs and Skills Council role in determining sectoral workforce needs, defining job roles, mapping pathways, and developing fit-for-purpose qualifications and micro-credentials.

Ensuring Jobs and Skills Australia's advice is informed by stakeholder perspectives

To support Jobs and Skills Australia to provide advice on skills, labour market and workforce needs, it is proposed that Jobs and Skills Australia's key priorities drive the development of an annual workplan.

The workplan will be made publicly available to inform all stakeholders of Jobs and Skills Australia's annual work commitments. The workplan will:

- list strategic national priorities for the focus of Jobs and Skills Australia's research, analysis and stakeholder engagement over the relevant 12-month period, in support of its functions to provide Government with advice on skills, labour market and workforce needs. The priorities will be complemented by a high-level outline of anticipated projects, activities and timeframes to deliver on the workplan's strategic priorities.
- be informed by diverse perspectives, including intelligence and analysis from Jobs and Skills Australia's stakeholder engagement, advice from the tripartite advisory body, and Ministerial consultations with commonwealth, state and territory counterparts. Jobs and Skills Australia may also seek feedback on the draft workplan from broader stakeholders via a public submission process, ahead of further refinement.

Decisions will be made against a set of principles aimed at balancing Jobs and Skills Australia's focus on urgent needs of industries, cohorts, and regions in distress with longer-term future focused research. This approach will ensure that Jobs and Skills Australia's ongoing operations are informed by a broad range of views on labour market and workforce priorities across the economy, enabling Government to make evidence-based decisions on priority investment and intervention.

Engagement with tripartite partners and experts will also be built into the development of specific work, with an explicit requirement for Jobs and Skills Australia to establish formal engagement strategies for its major studies. It is expected that this could include publishing terms of reference for studies for public comment, or consulting through focused engagement groups consisting of tripartite members and peak bodies for industry-specific studies.

Discussion questions on Jobs and Skills Australia functions:

2. What principles could be used to guide Jobs and Skills Australia's priorities, and the development of its workplan?
3. How could Jobs and Skills Australia seek broader input into the development and refinement of its workplan?
4. How could Jobs and Skills Australia engage tripartite partners, experts and other interested parties in its major studies?
5. What new information should Jobs and Skills Australia be collecting through its engagement to build a stronger evidence base?

Boosting Jobs and Skills Australia's engagement and outreach

Tackling the current skills and labour crisis and positioning the economy for the future will require a greater use and uptake of Jobs and Skills Australia's insights and advice. It will also require Jobs and Skills Australia's products and advice to be fit for purpose for multiple audiences.

To do this, it is proposed that Jobs and Skills Australia increase its outreach to seek feedback on and to promote the value and benefits of its products and advice. This includes offering briefings and considering the design and development of current work and future products.

Discussion questions on functions and ways of working:

6. How can Jobs and Skills Australia expand its engagement to include a broader range of skills and industry stakeholders in its work?
7. What types of outreach could Jobs and Skills Australia use to increase visibility and use of its products and advice?
8. How can Jobs and Skills Australia present data and analysis to best inform your work?

Glossary

Term	Definition for the purposes of this discussion paper
Advisory body	Consists of a mix of tripartite representatives from state and territory governments, unions and industry to support Jobs and Skills Australia in providing independent advice to Government.
Apprentice/trainee	Refers to a person undertaking an Australian Apprenticeship that combines a formal qualification with paid employment. It is vocational training underpinned by a training contract approved by the relevant State Training Authority involving on-the-job and off-the-job training.
Bill/Act	Proposed legislation is known as a Bill. Once the Bill passes Parliament and receives Royal Assent, it becomes known as an Act.
Cohort	A group of people with a shared characteristic. e.g. the mature-aged cohort is people over the age of 55.
Education and training provider	Higher education, vocational education and training, community and other organisations offering education and training services for individuals – can be accredited or non-accredited.
Governance	The system by which an organisation is controlled and operates, and the mechanisms by which it, and its people, are held to account.
Governments	The political system by which a country, or community, is administered and regulated. May include: the Australian Government (Commonwealth), State and Territory governments, and local governments.
Higher Education	Consists of awards spanning <i>Australian Qualification Framework</i> levels 5–10, which include: diplomas; advanced diplomas; associate degrees; bachelor degrees (including honours); graduate certificates; graduate diplomas; masters degrees; doctoral degrees; and higher doctoral degrees. It is mostly theory-based learning and some courses include practical elements.
Independent statutory body	An agency, or body, that was set up by law and is authorised to implement legislated work independently; while operating within the Australian Government.
Industry	When used in the context of tripartism, includes peak organisations representing small to large businesses, industries, and employers.
Interim	Means an intervening, non-permanent period of time. e.g. until final arrangements are legislated, an interim Director will lead Jobs and Skills Australia.
Jobs and Skills Australia Commissioner/s	Ministerially appointed Commissioner/Deputy Commissioners; who are representatives of a government authority with legal and/or administrative powers.
Jobs and Skills Councils	Formerly known as Industry Clusters, Jobs and Skills Councils are being established to provide industry with a stronger, more strategic voice in ensuring Australia's VET sector delivers stronger outcomes for learners and employers. More information on Jobs and Skills Councils at www.dewr.gov.au/skills-reform-overview-industry-engagement-reforms .

Term	Definition for the purposes of this discussion paper
Labour Market	Means the supply of, and demand for, labour; in which employees provide the 'supply' and employers provide the 'demand'. There can be national, regional, and local labour markets. e.g. the supply of available employees in Adelaide North does not meet the demand by employers, which indicates that the local labour market is short on supply.
Legislation	Laws enacted by local, state, or national legislatures. A legislature is an assembly of people with the authority to make laws.
Legislative remit	The legislated work of the agency, as documented within law.
Micro-credentials	Are short certification courses that enable students to develop specific skills, as an alternative to full qualifications.
Passage	With reference to legislation, passage is the act of successfully moving legislation through the Houses of Parliament to become a law.
Peak Body	A non-government organisation whose membership consists of smaller organisations from an industry area. e.g. an electrical peak body may have electricians and smaller electrical businesses as its members.
Remit	The work officially assigned to the agency. e.g. delivering a task is within the remit of the organisation.
Royal Assent	Legislation passed by the Australian Parliament does not become an Act until it is formally accepted by the Governor-General; thus, receiving Royal Assent.
Secretary	The Secretary of the Department of Employment and Workplace Relations
Tertiary education	Post-secondary/school education comprising vocational education and training and higher education.
The Department	The Department of Employment and Workplace Relations (DEWR)
Tripartism/Tripartite partnerships	The Australian Governments approach to genuine consultation, working with State and Territory governments, unions, and industry.
Vocational education and training (VET)	VET delivers competency-based, nationally recognised, industry-endorsed training. VET offers qualifications across Certificate I to postgraduate.