



Australian Government

Department of Employment  
and Workplace Relations

# **Jobs and Skills Councils – Strengthening Australia’s National Vocational Education and Training System Program (2022-2026)**

Program Guidelines



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## 1. Program Overview

- 1.1. The *Jobs and Skills Councils – Strengthening Australia’s National Vocational Education and Training System Program* (the Program) aims to strengthen industry leadership and engagement to deliver a VET system that can respond rapidly to changes in Australia’s economy and build a skilled and resilient national workforce.
- 1.2. Jobs and Skills Councils (JSCs) will have a strong connection to Jobs and Skills Australia, aligning with the Australian Government’s vision for the new [industry engagement arrangements](#).
- 1.3. The Program is administered by the Department of Employment and Workplace Relations (the department).

### Program objectives

- 1.4. The Program supports the establishment of JSCs as a national network of industry-owned and industry-led organisations, working collaboratively to provide strategic leadership in addressing skills and workforce challenges and opportunities, delivering effective outcomes across the VET sector. JSCs will support the Australian Government’s commitment to deliver a collaborative, tripartite VET system that brings employers, unions and governments together to address skills shortages and broader workforce challenges.
- 1.5. The objective of the Program is to enhance industry’s role in the VET sector by bringing strong, strategic industry perspectives (including employers, unions, TAFEs and other registered training organisations (RTOs)) to the national training system.
- 1.6. JSCs will engage and work collaboratively with state and territory governments to understand jurisdiction-specific issues, improve awareness of skill needs and data sources to align effort within and across industries to improve system responsiveness, build stakeholder confidence and drive high-quality outcomes for the VET sector, learners, business and governments.
- 1.7. JSCs will identify skills and workforce needs for their sectors; map educational and career pathways across education sectors; develop contemporary VET training products; support collaboration between industry and training providers to improve training and assessment practice; and act as a source of intelligence and provide advice on issues impacting their sectors to the VET sector, learners, business and governments.
- 1.8. The introduction of JSCs reflects the need to broaden the role for industry to move beyond the narrow focus on training package development under the previous arrangements, address system-wide barriers, and add value across the economy and across all education pathways, including schools, VET and higher education sectors.

### Program outcomes

- 1.9. JSCs will be accountable, under Grant Agreements, for delivering outcomes that are aligned with the JSC Performance Framework (the Performance Framework). Key deliverables and performance indicators are outlined in the Performance Framework. The Program contributes to longer-term system-level outcomes including:

- greater confidence and trust in the VET sector with more learners and employers using nationally recognised training
- increased employment options and improved economic and social wellbeing for VET graduates through relevant, transferable skills
- increased responsiveness of the VET sector to current and emerging workforce challenges and skills gaps and employer and learner needs through quality training products
- improved partnerships between industry, TAFEs and other RTOs to support quality, inclusive training delivery.

## 2. Purpose of the Guidelines

- 2.1. The purpose of these Guidelines is to set out expectations and requirements for the JSCs.
- 2.2. The Guidelines contain broad expectations and requirements for JSCs. These Guidelines are intended to supplement, and should be read in conjunction with, the Grant Agreement for each JSC. The JSC Grant Agreement defines the activities to be undertaken and sets out the conditions governing the use and payment of funding. Where there is any inconsistency between an JSC Grant Agreement and these Guidelines, the terms of the Grant Agreement will prevail.
- 2.3. These Guidelines are subject to change by the Commonwealth, throughout the life of the Program.

## 3. Overview of JSC functions

- 3.1. JSCs will perform a number of functions to fulfil their role within the national training system including identifying, forecasting and responding to current and emerging skills needs, workforce challenges, and opportunities. Importantly, JSCs will be driven by a strategic vision outlining a range of responses to their sectors' workforce challenges, and not be restricted to simply the development of training products.
- 3.2. JSCs will work collaboratively with each other and key stakeholders to identify shared workforce needs and the economy-wide impacts of skills gaps. Collectively they will develop a holistic view of needs by bringing strategic industry perspectives to the national training system, addressing workforce challenges, facilitating collaboration across sectors, improving the speed to market of training products and implementing innovative solutions that meet evolving learner and industry needs.
- 3.3. JSCs will provide strategic leadership on skills and workforce challenges, such as reskilling and upskilling workers to meet emerging industry needs and jobs in demand, to ensure the VET system meets employer needs by equipping learners with the necessary skills across a broad range of career pathways.
- 3.4. The Program stipulates requirements and expectations of JSCs against four key functions for industry sectors in their remit. In undertaking these functions, JSCs will be responsible for an end-to-end approach from the identification of workforce and skills needs, development of training products and learning resources to support training delivery; and supporting and promoting career pathways and high-quality training to address current and emerging workforce challenges.

- 3.5. The four key functions are:
- 3.5.1. **Workforce planning** – identify, forecast and respond to the current, emerging and future workforce challenges and opportunities, including skills needs, impacting their industries.
  - 3.5.2. **Training product development** – informed by comprehensive workforce analysis, develop responsive and flexible training products that have high educational standing and can be readily delivered by RTOs, including piloting emerging products and testing new approaches to meet RTO, industry and learners’ needs.
  - 3.5.3. **Implementation, promotion and monitoring** – working with industry and RTOs to ensure training delivery and assessment meets RTO practitioner, employer and learner needs, career pathways are mapped and promoted, and the impact of training is monitored to drive continuous improvement.
  - 3.5.4. **Industry stewardship** – provide strategic advice on skills and workforce needs and the effectiveness of VET system policies and standards.
- 3.6. These functions are not intended to be carried out separately, they should be viewed holistically and their interdependencies leveraged to inform and drive effective outcomes under the Program.

## 4. Staged approach to implementation

- 4.1. The Program represents a significant reform in relation to the role of industry in the VET sector. As such, the department understands that there will be considerable effort required by JSCs following the commencement of the Grant Agreement to build their strategic direction, lay the necessary foundations and start delivering on their broad range of functions.
- 4.2. An overview of the activities and deliverables expected as JSCs transition to a ‘steady state’ of operations is detailed in Figure 1.

**Figure 1 – JSC transition timeline**



|                                 | Jan 2023 – Jun 2023  | Jul 2023 – Dec 2023   | Jan 2024 – ongoing   |
|---------------------------------|--|---|--|
| Grant Process                   | <ul style="list-style-type: none"> <li>Grant Agreement executed.</li> <li>Operational funding allocated (to June 2023).</li> </ul>   | <ul style="list-style-type: none"> <li>2023-24 funding allocated on approval of Strategic Plan and Annual Activity Schedule.</li> </ul>   | <ul style="list-style-type: none"> <li>Ongoing grant management with Grant Agreement.</li> </ul>   |
| Key Activities And Deliverables | <p>Prior 30 June 2023<sup>1</sup>:</p> <ul style="list-style-type: none"> <li>Initial Workforce planning and engagement with JSA an early priority.</li> <li>Governance arrangements commence, cross-JSC collaboration and stakeholder engagement underway including with states and territories.</li> <li>Establishing leadership and industry stewardship role.</li> <li>Strategic Planning setting out vision, strategic statements, operational requirements and how the JSC will deliver its key functions.</li> <li>Initial Workforce Plan.</li> <li>Initial Strategic Plan</li> <li>Annual Activity Schedule</li> </ul> | <p>Post 30 June 2023<sup>2</sup>:</p> <ul style="list-style-type: none"> <li>Continued comprehensive workforce planning activities to inform an updated Strategic Plan in the second year.</li> <li>Carrying out activities from the Strategic Plan.</li> <li>Ongoing cross-JSC collaboration and engagement.</li> <li>Progress reporting.</li> <li>Annual year in review meeting.</li> </ul> | <ul style="list-style-type: none"> <li>Ongoing development of capabilities, progressing towards maturity.</li> <li>More comprehensive workforce plan.</li> <li>Updated Strategic Plan.</li> <li>Delivering on agreed activities outlined in Annual Activity Schedule required to execute key functions.</li> <li>Ongoing and active stakeholder engagement.</li> <li>Progress reporting and performance management cycle.</li> </ul> |
| Measuring Success               | <ul style="list-style-type: none"> <li>Year 1 performance based on the information contained in the Initial Workforce Plan, Initial Strategic Plan, Progress Reporting and any activities undertaken.</li> <li>Information from states and territories and other stakeholders may also contribute to performance assessment.</li> </ul>  |   | <ul style="list-style-type: none"> <li>From Year 2, a further set of JSC indicators and measures will be used.</li> <li>Indicators and measures for Year 2 and beyond will be tested, validated and finalised before Year 2 commences.</li> <li>An indicative set of Year 2 indicators are set out in the Performance Framework.</li> </ul>  |

<sup>1</sup> Or as stated in the Grant Agreement

<sup>2</sup> Or as stated in the Grant Agreement



## Year 1 expectations

- 4.3. The expectations for the first year of operations in 2023 (Year 1) reflect the significant effort required to undertake workforce planning, build partnerships with key stakeholders, and set strategic directions necessary to achieve outcomes within and across industry sectors.
- 4.4. In order to fulfil their leadership and stewardship role within the VET system, JSCs will need to deeply understand their industry sectors engaging with the Australian and state and territory governments to build strong relationships at the national, urban, regional, rural and remote levels to garner broad commitment and buy-in to drive reform and address workforce challenges.
- 4.5. An initial Workforce Plan in Year 1 is due by 31 March 2023 (or as stated in the Grant Agreement)<sup>3</sup>. Given this relatively short timeframe, it is expected this plan is based on existing data and information provided through the transition from previous industry engagement arrangements, desktop analysis, preliminary stakeholder engagement and industry insights gathered through JSC governance arrangements. The Workforce Plan should inform the JSCs' 3-Year Strategic Plan and utilise labour market analysis and other data, including that produced by Jobs and Skills Australia and available state-based information.
- 4.6. JSCs should continue workforce planning throughout Year 1 including gathering additional data, engaging with a broad range of stakeholders (including TAFEs and other RTOs) to capture insights, and other activities required to diagnose workforce challenges and develop strategies to address them.
- 4.7. The VET sector is a joint responsibility of the Australian and state and territory governments. States and territories have existing mechanisms to consult with industry on workforce planning and VET related matters. It will be important for JSCs to operate in ways that complement and leverage state-based engagement mechanisms.
- 4.8. While workforce planning is the key function in Year 1, JSCs may also seek to progress strategies and activities associated with other functions.
- 4.9. It is expected that limited training product development will occur in Year 1. However, JSCs may have conducted sufficient workforce planning and analysis to justify the progression of some of their training product development work prior to Year 2, where a significant need has been demonstrated or to respond to national priorities. There may also be instances where Ministers issue strategic directives or urgent training product development is required and, in those cases, JSCs should work with the department to determine the best approach.
- 4.10. Once JSCs have their strategic direction set on the basis of their workforce planning and stakeholder engagement activities, they will be better positioned to undertake a broader range of activities under all functions.

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<sup>3</sup> [Attachment B](#) to the *Workforce Planning Guidance* document describes expectations for workforce plans.

## 5. Workforce planning

- 5.1. Workforce Planning is the strategic centrepiece for JSCs and establishes essential context for each of the other functions. Workforce planning will underpin JSC intelligence-gathering to inform strategic priorities and will be a critical focus for JSCs to guide strategic planning.
- 5.2. The key objective of workforce planning is to understand current, emerging and future workforce challenges and opportunities, including skills gaps and shortages, for all sectors within an JSC's remit (including small and niche industries), and to develop appropriate strategies and provide advice to address diagnosed challenges. Understanding workforce challenges and opportunities requires JSCs to ascertain how adequately the supply of skilled labour is meeting the demand for skilled labour, for a given workforce.
- 5.3. The department has developed a *Workforce Planning Guidance* document to support a consistent approach to workforce planning for JSCs. This includes a Workforce Planning Framework, providing a conceptual approach to support the diagnosis of workforce challenges and opportunities, and the development of associated strategies, as well as a standardised workforce planning process. JSCs are encouraged to use the document to support their workforce planning efforts.
- 5.4. JSCs will work closely with the Australian and state and territory governments and Jobs and Skills Australia to ensure a tripartite, coherent and evidence-based approach to understanding workforce challenges and aligning system effort to implement strategies.
- 5.5. JSCs will need to consider all educational pathways across the secondary and broader tertiary education sectors, including a critical role for higher education, as well as potential changes or impacts to policy settings beyond the VET sector.
- 5.6. Comprehensive stakeholder engagement underpins all JSC workforce planning activities. This entails extensive consultation and engagement across relevant industries within a JSC's remit, including with organisations that represent RTOs, employers, employees, learners, and other JSCs.
- 5.7. JSCs consultation and engagement must also include working closely with the Australian and state and territory government departments and agencies to identify workforce challenges at the national, urban, regional, rural and remote levels, and to develop and execute appropriate strategies that leverage existing Commonwealth and state-based industry engagement mechanisms.
- 5.8. Effective workforce planning will guide JSC decisions, operations, strategies and activities that deliver outcomes under other functions. For example:
  - analysing the effectiveness of existing training products and establishing priorities for future training products (training product development)
  - identifying labour market dynamics impacting workforce supply and demand and developing strategies to strengthen career pathways and support quality outcomes for learners and employers, including strengthening occupational mobility and labour flows for a given workforce (implementation, promotion and monitoring)
  - developing workforce strategies that require advocacy and commitment to drive change and improvement across the VET system (industry stewardship).

- 5.9. Engagement and collaboration are critical for JSCs to establish networks, capture insights for workforce planning, test and build advocacy for strategies. JSCs will work closely with other entities and actors within the VET system and build partnerships with stakeholders through sound governance practice and strong leadership.
- 5.10. JSC workforce planning and training product development should be underpinned by a collaborative, skills-based approach that identifies cross-sectoral skills to reduce training product duplication and complexity, support portability of training and improve labour market resilience.
- 5.11. To support a consistent and joined-up approach to addressing workforce challenges, including skills gaps and shortages, JSCs will need to work together to align workforce planning processes and, where relevant, collaborate on research, analysis and the development of strategies.
- 5.12. Research and data collection undertaken to support workforce planning should be comprehensive and include state-based and national sources.

## 6. Training product development

- 6.1. JSCs will undertake training product development:
  - on the basis of comprehensive workforce analysis, the development of Job profiles and mapping of career and education pathways
  - with reference to the outcomes achieved by learners in the existing training products, including employment, satisfaction, and occupational destination of the learner
  - in line with standards, policies and procedures set by Skills Ministers through the [Training Package Organising Framework](#) (TPOF), to improve the quality, speed to market and responsiveness of training products.
- 6.2. In line with the expectations of the TPOF, JSCs must engage with key stakeholders, including TAFEs and other RTOs, early and on an ongoing basis so that implementation issues can be raised and dealt with appropriately.
- 6.3. To drive innovation in training product development consistent with the TPOF, JSCs will work in partnership with industry, training providers, educational experts and employers to pilot emerging products and test new approaches for training product development to meet identified workforce challenges and skills needs. This may include intersections with VET delivered to school students, apprenticeships and traineeships, and higher education.
- 6.4. JSCs will work effectively and collaboratively with other JSCs to rationalise, reduce duplication and improve speed to market of training products to address skills needs (current, emerging and future) across industry sectors on the basis of insights and strategies supported through workforce planning.
- 6.5. In line with the TPOF, comprehensive stakeholder consultation and engagement will inform training product development. JSCs are required to engage key stakeholders including employers, unions, governments, education experts, regulators, RTOs, learners and other JSCs as early as possible in the training product development process. JSCs must genuinely consider any advice provided by the mandatory technical committees that are established in the early drafting phase of training product development to ensure training products are

relevant and can be effectively and engagingly delivered by RTOs to learners to meet workforce and skills needs.

- 6.6. JSCs are responsible for resolving disagreements and disputes between stakeholders in developing the content of their training products before submission to the independent assurance body in line with the TPOF, including by ensuring that stakeholders have been sufficiently engaged and feedback has been genuinely considered.
- 6.7. In accordance with the TPOF, JSCs will produce an Annual Training Product Development Plan (Annual TPD Plan), outlining their forthcoming annual training product development activities. The Annual TPD Plan identifies nationally recognised training products to be developed, including whether these are full qualifications or skill sets (including micro-credentials), determine the schedule for prioritisation, and provide justification for the prioritisation of this work.
- 6.8. As set out in the TPOF, Jobs and Skills Councils must consult with relevant government authorities and regulators in developing an Annual Training Product Development Plan.

## **Training Product Assurance**

- 6.9. The quality assurance mechanism will be conducted by the department as an interim arrangement until the post-implementation review determines the longer-term location. The department will assess the compliance of training products developed by JSCs against the standards, policies and procedures set by Skills Ministers. Compliant training products will be provided to Skills Ministers for endorsement.

## **7. Implementation, promotion and monitoring**

- 7.1. JSCs will partner with training providers and organisations to align workforce planning objectives and national training products with career advice and 'on the ground' training delivery. JSCs will seek to harness industry commitment and build buy-in across industries by promoting skilling, upskilling and reskilling opportunities for employers, workers and learners.
- 7.2. JSCs will work closely with training providers, employers, unions, the Australian and state and territory governments, and regulators to develop training products and resources that improve training and assessment practices. In this context it is not expected that JSCs work with all RTOs directly.
- 7.3. JSCs will engage with stakeholders in ways that identify common challenges and issues and explore, pilot and promote products and strategies that facilitate improved outcomes for industries, training providers and learners. Strategies should include how pilots can be sustainably scaled-up and, if appropriate, rolled out nationally.
- 7.4. JSCs will have the expertise and reach, using nationally available data and evidence (including from Jobs and Skills Australia) alongside local intelligence to monitor training outcomes and impacts to support continuous quality improvement in training delivery and assessment.
- 7.5. This includes establishing mechanisms to monitor employer and learner outcomes from training delivery, promoting where RTOs are getting good outcomes and identifying

opportunities to strengthen the quality of training delivery and career pathways into, within and across industries.

- 7.6. In collaboration with the National Careers Institute, JSCs will support employers to understand and promote career pathways, and assist learners and workers to make well-informed, evidence-based career decisions.
- 7.7. JSCs will work with RTOs to connect nationally recognised training products with delivery and assessment of training and develop resources for RTOs, trainers, assessors and employers to improve training and assessment practices, including in-workplace assessment.
- 7.8. JSCs will consider the needs of RTOs to develop relevant learning resources to support RTOs in delivering training to meet workforce and skills needs, with a particular emphasis on ensuring these are accessible and relevant to small or 'thin' markets and in regional, rural and remote areas.
- 7.9. Working with state and territory training authorities, JSCs will accurately map apprenticeship and traineeship pathways and other innovative pathways from training to employment by jurisdiction.
- 7.10. JSCs will establish and oversee mechanisms to monitor training outcomes for employers and learners in order to identify opportunities to strengthen the quality of training development, delivery and pathways. This includes the use of nationally available data (for example, NCVER or ASQA data) and evidence, alongside local intelligence and data.
- 7.11. JSCs will work with employers, RTOs and governments to devise and implement ways to improve training outcomes for priority cohorts including women in trades, First Nations people and people with disabilities, and people with low Foundation Skills.
- 7.12. In carrying out their work, JSCs will engage and consult with First Nations peoples and consider how strategies and actions contribute to achieving [Closing the Gap priority reforms](#).

## 8. Industry Stewardship

- 8.1. The information gathered as part of the industry stewardship function informs all other functions. JSCs will leverage their engagement and involvement with stakeholders to become a trusted source of information, intelligence and strategic advice regarding workforce challenges for both industry and Skills Ministers.
- 8.2. Informed by workforce planning, JSCs will provide a strong and strategic industry voice to ensure the VET sector continues to deliver on employer and learner needs. To achieve this, JSCs will use their networks as a key source of intelligence on workforce issues, providing advice on the policies and standards that guide the VET sector, and promoting opportunities for system improvements.
- 8.3. Working together, JSCs will collaborate with stakeholders across the training system, including through a range of consultation and engagement approaches, to effectively and reliably represent the views and needs of industry stakeholders at the national, urban, regional, rural and remote levels.

- 8.4. They will also collaborate with relevant national and jurisdictional agencies and bodies, including Australian Government agencies, departments, industry and training regulators and advisory bodies; state and territory agencies, departments and training authorities, employer and industry associations, unions, and organisations that represent RTOs and learners.
- 8.5. JSCs will build and maintain broad, deep and ongoing industry connections to understand the experiences and needs of employers, RTOs and learners, including by brokering effective partnerships between industry and RTOs to harness commitment and support for VET reforms and improved outcomes for learners and employers.
- 8.6. Early, frequent and sustained engagement will ensure JSC activities are informed by the views and intelligence gathered through consultation and working strategically with a broad range of stakeholders.
- 8.7. JSCs will be a source of advice and evidence on workforce and skills issues affecting their industry sectors and contribute to a whole-of-economy perspective on workforce and skills needs.
- 8.8. On the basis of intelligence, research and information gathered as part of work under other functions, JSCs will provide advice on VET system, sector and workforce national policies and standards and whether they are fit-for-purpose for industry and learners. This advice may serve as input for government reviews as required to supplement national, jurisdictional and industry-specific data and evidence.

## **Skills Ministers**

- 8.9. Skills Ministers have responsibility for setting policies and standards, endorsing training products and monitoring the performance of the training system in aligning skills to labour market needs and job mobility and security.
- 8.10. JSCs are accountable to Skills Ministers for achieving their objectives, operating under the policies and standards set by Skills Ministers, with regard to the VET reform agenda and other priorities as determined by Ministers. On the basis of intelligence gathered, JSCs will provide advice on workforce strategies and VET system policy to Skills Ministers.
- 8.11. The department will work with state and territory officials and JSCs to identify mechanisms to engage with Skills Ministers in order to fulfil their industry stewardship role.

## **JSC CEO Network**

- 8.12. JSC CEOs will attend, participate in and support a cross-council JSC CEO network facilitated initially by the department. This will include regular forums to provide a mechanism for the department to have strategic conversations with JSCs and key stakeholders.
- 8.13. Forums will also provide an opportunity to raise any system-level issues and progress against key objectives with Skills Senior Officials Network (SSON) members.
- 8.14. The forums will assist JSCs to share intelligence, discuss economy-wide issues, deliver on cross-sector projects and develop communities of practice to build their capability. This includes engaging with Jobs and Skills Australia and National Career Institute staff to ensure a joined-up approach to workforce planning and associated strategies.

- 8.15. JSCs will establish and implement formal communication channels to identify and discuss cross-sectoral themes (e.g. supply chains, digital, new energy and foundation skills) and, where practicable, combine stakeholder engagement strategies and opportunities for collaboration.

## **Jobs and Skills Australia**

- 8.16. A key function of Jobs and Skills Australia will be to provide advice to Government on economy-wide labour market and skills issues, and collect, share, and publish data and other information on Australia's skills, labour market and workforce planning needs.
- 8.17. Jobs and Skills Australia have a whole-of-economy focus and play a proactive role in workforce planning nationally, and provide a consistent picture of Australia's workforce needs and the factors contributing to supply and demand imbalances across the labour market.
- 8.18. Jobs and Skills Australia's advice will contribute to the evidence-base for Government decisions on policies, programs and funding that aim to improve education, training and employment outcomes and help drive economic growth. JSCs will provide industry-specific insights to inform Jobs and Skills Australia's advice.
- 8.19. JSCs will work with Jobs and Skills Australia to align workforce planning activities for their Industry sectors, creating a uniform understanding of the skills landscape and developing appropriate strategies to address workforce challenges and skill gaps. This includes supporting sector-specific capacity studies.

## **National Careers Institute**

- 8.20. The National Careers Institute ensures Australians have access to reliable and accurate careers information, resources and support.
- 8.21. JSCs will work with the National Careers Institute where appropriate to support:
- the development and promotion of clearly articulated, evidence-based education, training and career pathways into, within and across industries
  - employers to understand and promote career pathways
  - learners and workers to make well-informed, evidence-based career decisions.

## **Other key stakeholders**

- 8.22. JSCs will define the stakeholder cohorts to be consulted, together with the proposed mechanisms and timelines for engagement, including how stakeholders from 'thin' or niche markets, urban, regional, rural and remote locations, and priority cohorts will be given an appropriate voice in the consultation process, taking into account government priorities.
- 8.23. In the course of undertaking their range of functions, JSCs will engage, collaborate and share intelligence as appropriate with stakeholders including:
- the Australian Government
  - state and territory governments, training authorities and state-based industry engagement entities
  - Jobs and Skills Australia
  - the National Careers Institute

- national and state and territory VET and industry regulators
- unions
- employers
- educational experts
- industry and training peak bodies
- RTOs
- Schools and higher education providers.

## 9. JSC Governance

- 9.1. JSCs have been established with strong governance arrangements that both support and provide a high level of industry engagement for the sectors within their remit.
- 9.2. JSCs are expected to be tripartite. This will be demonstrated by employer organisation and union representation on JSC governance (Board composition, membership structures) and operational arrangements (strategic taskforces, sub-committees and technical committees). Participation by employer organisations and unions is intended to be fair and equitable.
- 9.3. JSCs are expected to recognise and incorporate gender balance and diversity, equity and inclusion into all levels of the JSC (including in respect of the composition of the JSC Board and any committees of the JSC).
- 9.4. Skills Ministers collectively have a critical role in monitoring the VET system and the Commonwealth will monitor governance arrangements in collaboration with state and territory governments.
- 9.5. A key requirement for JSCs is establishing and maintaining governance arrangements and processes to control and monitor the organisation and support effective decision making, transparency and accountability.

### Legal Structure

- 9.6. JSCs are not-for-profit companies, limited by guarantee, incorporated under the *Corporations Act 2001*.
- 9.7. They may be registered as a charity under the Australian Charities and Not-for-profits Commission (ACNC).

### Company Constitution

- 9.8. The corporate governance structure of each JSC is reflected in their company constitution.
- 9.9. The department's approval is required prior to an JSC undertaking any amendments to its constitution.



## Legal compliance

- 9.10. JSCs are required to comply with good corporate governance and reporting requirements in accordance with those set out in the *Corporations Act 2001* and any other specific governance legislation relating to the legal structure under which a JSC is established.
- 9.11. JSC governance arrangements should be consistent with better industry practice as set out in the *Australian Institute of Company Directors Not-For-Profit Governance Principles (January 2019)* and the *Australian Securities Exchange Ltd Corporate Governance Principles and Recommendations*.

## Company Board

- 9.12. JSC Boards must have a combination of industry-specific expertise with deep connections to industry, and professional board expertise. Boards will be skills-based with a mix of representative and independent Board directors, a majority of which will be independent directors, and with the Board to preferably comprise no more than nine Board directors including the Chair. This will support independent decision-making.
- 9.13. JSC Boards will perform their role and functions in line with best practice corporate governance principles. This role will involve setting the strategic direction for the organisation and monitoring the implementation of that strategy. The Board will be expected to focus on the financial and organisational performance of the organisation, as well as overseeing risk, assurance and compliance activities. This compliance role will involve ensuring the JSC is acting in accordance with the terms of its Grant Agreement for the Program.
- 9.14. The constitution and Board structure will enable the JSC to be responsive to its unique set of industry circumstances and enable opportunities for new industry representatives to join, as applicable.
- 9.15. JSCs will be required to make information regarding Board appointments publicly available, including:
  - board member identification
  - selection and appointment processes
  - terms of engagement, including specifying the length of appointments and remuneration
  - representative substitution procedures.

## Membership

- 9.16. JSC membership should facilitate the fair and equitable representation of different stakeholder interests.
- 9.17. Membership structures will be outlined in a JSC's company constitution and in detail membership classes (if applicable), including the different rights and privileges afforded to different membership classes.
- 9.18. JSCs will make membership information publicly available.

## Strategic Taskforces, Sub-Committees and Technical Committees

- 9.19. Good corporate governance underpins the establishment and ongoing support of strategic taskforces, sub-committees and technical committees within an JSC, bringing together industry and training stakeholders to advise the Board and support the organisation to deliver its activities.
- 9.20. Strategic taskforces, sub-committees and technical committees drive the strategic direction and deliver on the broad range of functions of the JSCs, providing strategic advice to the Board to support their decision-making. This includes validating JSC plans, deliverables and reporting.
- 9.21. Membership must reflect the scope and purpose of these bodies and a range of stakeholders, including subject matter experts, educational experts, state and territory representatives with relevant expertise and RTOs.
- 9.22. JSC Boards will establish enduring or temporary taskforces and committee substructures depending on the function and strategic objectives. Each strategic taskforce, sub-committee and technical committee will have clear terms of reference, agreed by the Board and regularly reviewed, which clarifies:
  - its role and responsibilities
  - how it appoints its members, including specifying relevant skills and expertise
  - how it will report to the Board to provide progress updates
  - how the Board will consider proposals and ratify any decisions.
- 9.23. When setting up committees and taskforces, JSCs will consider and include in terms of reference:
  - how they will seek, consider and balance the needs and views of diverse stakeholder groups, including ensuring appropriate expertise, sub-sector insight and geographic distribution of the proposed membership
  - how they will seek to identify and manage actual, potential or perceived conflicts of interest
  - the extent to which the proposed membership structure will facilitate the fair and equitable representation of different stakeholder interests in the JSC's remit.

## Code of Conduct

- 9.24. JSCs operate in accordance with a Code of Conduct that provides their directors, advisory committee members, employees, contractors and agents with consistent guidelines for acceptable standards of professional conduct.
- 9.25. The Code of Conduct provides the basis for a culture of integrity by setting clear expectations for behaviour and decision-making. Consistent with the Code of Conduct, JSCs must operate and govern themselves in an open and transparent manner. In line with these transparency expectations, JSC are required to publicise on their respective websites the names of:
  - board directors
  - key management personnel
  - any established advisory committees

- advisory committee members
  - the details of any remuneration provided to board directors and advisory committee members; and
  - key governance documents, including the JSC's constitution, any by-laws and other internal policies or controls concerning the governance of the JSC.
- 9.26. Consistent with the Code of Conduct, JSCs will undertake internal governance reviews to ensure governance arrangements are appropriate and to highlight opportunities for improvement.

## 10. Funding

- 10.1. Grant Agreements with each JSC set out the deliverables associated with the grant funding in line with the JSC functions.
- 10.2. Funding for JSCs is provided through the following funding streams:
- 10.2.1. **Core funding** is provided to JSCs to undertake activities to carry out their Workforce Planning and Industry Stewardship functions.  
Core funding also covers costs relating to ongoing leadership actions, including governance, administrative, engagement and other core operations of an JSC. This funding may be used to:
- support the organisation's operations and maintenance, including premises, Board costs, key personnel, and office administration
  - enable strong advisory and working group/committee structures to be established and maintained.
- 10.2.2. **Activity funding** is provided to JSC entities to undertake agreed activities to carry out their Training Product Development and Implementation, Promotion and Monitoring functions. The agreed activities will be captured in an Annual Activity Schedule.
- 10.2.3. **Additional funding** may be provided to JSCs at the discretion of the department to undertake additional projects in support of the Program and the national VET system. This funding may be provided:
- in response to urgent priority skills and workforce issues, or
  - for the delivery of national and emerging priorities.

### Funding model

- 10.3. Funding levels differ across the JSCs. The funding model developed for the Program provides guidance to support the department in determining the distribution of core and activity funding across JSCs based on a series of drivers.
- 10.4. The department has taken into account drivers under two categories – those that relate to effort required by JSCs to deliver their functions, and those that relate to economic contribution.
- 10.5. Drivers relating to effort required by JSCs include:
- industry complexity
  - industry rate of change

- training system complexity and performance
- stakeholder complexity.

10.6. Drivers relating to economic contribution include:

- economic and social contribution
- investment in training
- national priorities.

## 11. Monitoring and Evaluating Performance

- 11.1. The Performance Framework outlines the key deliverables for JSCs and a comprehensive set of output indicators and measures. The Performance Framework aims to provide a shared understanding of the requirements for JSCs, providing visibility to the JSCs and relevant stakeholders on what they are expected to deliver and what ‘success looks like’.
- 11.2. JSCs will be held accountable under Grant Agreements for delivering outcomes that are aligned with the Performance Framework.

## 12. Contact information

- 12.1. Questions, feedback, or comments on the program are welcome and can be submitted via email to [ie.implementation@dewr.gov.au](mailto:ie.implementation@dewr.gov.au).

## 13. Glossary

| Term                             | Definition   |
|----------------------------------|--|
| <b>Assurance Body</b>            | This is the body nominated by Skills Ministers to assess draft training products against the Training Package Organising Framework and make recommendations to Skills Ministers about the endorsement of proposed training products.   |
| <b>Career pathways</b>           | A career pathway describes how individuals could progress throughout their career through formal education and training, recognised prior learning and skills, and work experience. Career pathways encourage life-long learning and assist individuals to undertake education and training and make informed career choices.<br><br>Career pathways can target jobs in industries of importance to the economy and can inform products and strategies designed to create entry points and avenues of progression for under-represented or target populations and to address workforce challenges. |
| <b>Grant activity/activities</b> | This term refers to the project/tasks/services that the grantee is required to undertake   |
| <b>Grant agreement</b>           | The Grant Agreement sets out the relationship between the parties to the agreement, and specifies the details of the grant   |

| Term  | Definition   |
|---|--|
| <b>Independent director</b>                   | This term means a Director who is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual Member or other party   |
| <b>Industry sector</b>                        | In the context of the industry sectors covered by Jobs and Skills Councils these are defined by the Australian and New Zealand Standard Industrial Classification (ANZSIC).  |
| <b>Job Profiles</b>                           | One of the components of workforce planning includes articulating, in simple language that users of the system can understand, all of the job functions and requisite skills and knowledge required to do each job – Job profiles, which will be mapped to career and education pathways. Job profiles will be used to help identify and prioritise what VET training products are needed. |
| <b>JSA (Jobs and Skills Australia)</b>        | Jobs and Skills Australia provides advice to Government on economy-wide labour market and skills issues, and collects, shares, and publishes data and other information on Australia’s skills, labour market and workforce planning needs.   |
| <b>Learning resources</b>                     | <p>Learning resources means all the teaching and learning resources used by trainers, including any provided to learners, that aid learners’ acquisition of knowledge or skills.</p> <p>For JSCs, these resources are non-mandatory and function to assist training providers rather than to prescribe specific delivery or assessment methods.</p>  |
| <b>National training system/ VET System</b>   | These terms refer to the Australian system for Vocational Education and Training (VET). It includes registered training providers (RTOs), training packages (including units of competency), governments (state, territory and commonwealth, including industry advisory bodies), JSCs, Jobs and Skills Australia, and regulators.   |
| <b>Registered Training Organisation (RTO)</b> | Registered Training Organisation (RTO) as defined under the <i>National Vocational Education and Training Regulator Act 2011</i> (Commonwealth) is a training organisation listed on the National Register as a registered training organisation. RTOs deliver nationally recognised courses and accredited Australian Qualifications Framework VET Qualifications.                        |

| Term                                | Definition   |
|-------------------------------------|--|
| <b>Skills gaps and shortages</b>    | <p>A <i>skills gap</i> occurs when there is a difference between the skills employers need and those that workers possess.</p> <p>A <i>skills shortage</i> occurs when employers are unable to fill or have considerable difficulty filling vacancies for an occupation or cannot meet significant specialised skill needs within that occupation, at current levels of remuneration and conditions of employment, and in reasonably accessible locations.</p> |
| <b>Skills Ministers</b>             | Commonwealth, State and Territory government ministers with the responsibility for skills matters.   |
| <b>Training and assessment</b>      | Undertaken by an RTO training and assessment ensures students are well equipped for employment or further study; their qualification is seen as credible, and they are seen as holding the skills and competencies specified in their qualification.   |
| <b>Training product development</b> | JSCs are responsible for developing training products, based on identified workforce needs and other information. The timing of this development is described in the JSC’s Annual Training Product Development Plan and consistent with the requirements set out in the Training Package Organising Framework (TPOF).  |
| <b>Training products</b>            | include units of competency, assessment requirements (associated with each unit of competency), qualifications aligned to the AQF, and credit arrangements.  |
| <b>Workforce planning</b>           | In the context of JSCs functions, workforce planning includes analysis, research and strategies to identify, forecast and respond to the current, emerging and future workforce challenges and opportunities, including skills gaps and skills shortages.  |