

The Hon Amanda Rishworth MP  
Minister for Employment and Workplace  
Relations  
Parliament House  
CANBERRA ACT 2600

The Hon Andrew Giles MP  
Minister for Skills and Training  
Parliament House  
CANBERRA ACT 2600

## **Re: FSO's response to the Statement of Priorities**

Dear Ministers,

Thank you for your Statement of Priorities, received on 22 December 2025, outlining the Australian Government's expectations of the Future Skills Organisation (FSO). We welcome this guidance.

There are well-documented gaps in digital, cyber, AI, and enabling human skills which affect all industries and require action at multiple levels across government, industry, and the education and training system. Through addressing these gaps there are significant opportunities for Australia's productivity agenda but there are also several well-known system challenges which must be overcome to build momentum. Responding effectively requires more agile approaches, stronger system-wide collaboration, and targeted investment.

While the FSO has an important role to play as a Jobs and Skills Council, success will ultimately depend on how effectively collective effort is mobilised to deliver priority skills at pace.

## **FSO Strategic Priorities**

In 2026, our work plan is based on three clear strategic priorities, shaped by current industry demand and the ongoing challenges within the education and training system.

- **Investing in AI and building Australia's AI skills base**, ensuring individuals and industry are equipped to adapt to rapid technological change.
- **Addressing the most urgent skills gaps**, by strengthening the speed, flexibility and responsiveness of the formal training system.
- **Supporting the essential needs of industry**, by maintaining the capability to update training products as requirements evolve.

## **The FSO Work Plan**

Our work plan reflects both the direction set by Government and guidance provided by industry.

### **1. Against Government Priorities mandated for all JSCs the FSO will:**

- Prioritise activities and initiatives which seek to address **Australia's productivity challenges** through building a skilled, adaptable and inclusive workforce. We focus on accelerating the acquisition of key digital capability skills, including **AI, cyber and broader digital competencies**, which are essential foundations for future productivity across the workforce.
- **Embed inclusivity**, including gender-segregated industries and the priority reforms under the *Closing the Gap National Agreement*, across all our projects.

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### **Future Skills Organisation**

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Relations.

- **Develop a Workforce Plan** outlining challenges and opportunities across finance, technology, business and related industries, with a focus on digital and generalist skills to be published mid 2026.
- **Support AI readiness** through the FSO Skills Accelerator – AI, inclusion of generalist and specialist AI skills in the BSB and ICT Training Packages, and delivery of the *National AI Skills Report*.
- **Apply Qualification Reform principles** across all Training Product Development projects, including the use of new templates and a cross-JSC approach to identify shared generalist skills, reduce duplication, and develop common digital capability units and cross-industry learning resources.

## 2. Against Government Specified Priorities the FSO will:

- Support the work of **Jobs and Skills Australia (JSA)**, including aligning with JSA's Generative AI Capacity Study and the National Skills Taxonomy, and contributing to the development of a harmonised tertiary sector through close collaboration with the Australian Tertiary Education Commission.
- Contribute to the implementation of the **National AI Plan** by developing AI skilling solutions through the FSO Skills Accelerator - AI and by sharing best practice through forums such as the Digital Knowledge Exchange. We will also deliver the biannual National AI Skills Report, which captures industry trends and data and identifies potential solutions for Government consideration.
- **Support the cyber workforce pipeline** in line with the *2023–2030 Australian Cyber Security Strategy*, through our Digital Capability Uplift program, updates to the ICT Training Package, and a mid-career Earn While You Learn traineeship.
- **Trial new approaches** to develop training products more quickly across the system. We will focus on the most critical skill areas, such as digital capability and AI, to test the system, assess its appetite for risk, and gather insights through the FSO Training Product Trial.

## 3. Against Industry nominated priorities the FSO will:

- Continue support for **Digital Capability uplift of the VET workforce**.
- Work with all States and Territories through **the Digital Knowledge Exchange**, and through the state-based **digital skills compacts** to scale proven digital skills approaches nationally.
- **Update telecommunications training products** within the ICT Training Package to reflect emerging needs, including IoT and Data Centre skills.
- Support the finance sector through:
  - the development of **Sustainable Finance Disclosure** training products
  - completion of Needs and Gaps analyses for **Insurance, Payroll, and Bookkeeping**.
- Reset of the ICT Training Package to ensure it details valued and relevant qualifications which reflect the employment **pathways for tech roles**.
- Increase awareness of **psychosocial safety** through the Safe and Respectful Workplaces training products in the BSB Training Package.

## 4. Additional Government Task - Prepare the Government's biannual National AI Skills Report

The FSO has also been tasked by Government to deliver a report undertaking tripartite engagement on artificial intelligence and its impacts on workers, employers, and workforce needs, consistent with the objectives of the Government's National AI Plan. The immediate priority of this work is to establish an initial national baseline report for completion by May 2026 which will be used to provide robust evidence to inform Government consideration of priority actions.

### **Partnering for Success**

Through this work, we will continue to strengthen our role as a trusted tripartite partner by deepening collaboration with industry, states and territories, and key stakeholders across the system. Our focus will be on high-value partnerships that support priority industries and critical capability needs, including First Nations engagement, TAFE Centres of Excellence, and the National TAFE Network. We will maintain strong engagement mechanisms that enable meaningful influence on our work, promote inclusive and diverse representation, and support coordinated delivery across sectors. Reflecting the cross-industry nature of our remit, we will also continue to work closely with our fellow JSCs to maximise impact and alignment.

Should you have any questions, please contact Patrick Kidd, CEO, or myself.

Yours sincerely,

Ms Yasmin Allen AM  
Chair of Future Skills Organisation