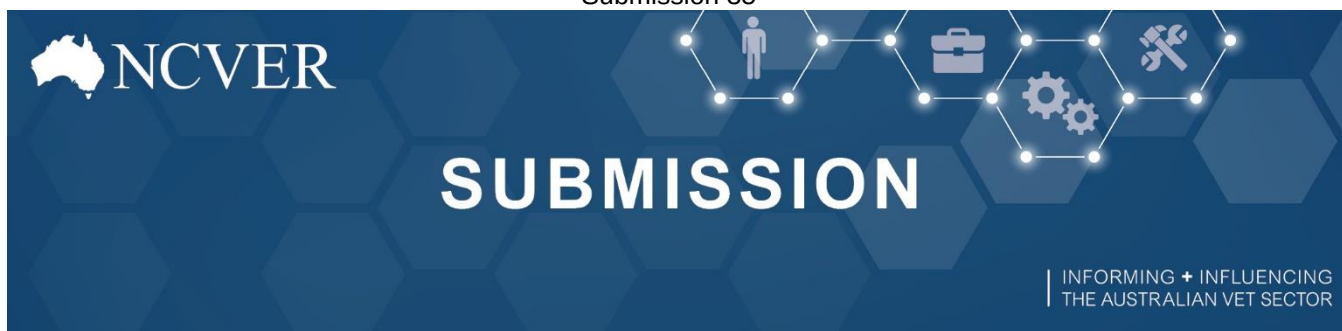




Inquiry into Jobs and Skills Australia Bill 2022

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Overview

NCVER's submission focuses on the Jobs and Skills Australia Bill [Provisions] 2022, to establish Jobs and Skills Australia (JSA).

This submission briefly outlines the governance and functions of previous statutory bodies responsible to Ministerial Councils or Ministers for VET over the last 30 years.

Reflecting on each of these models and the proposed governance and functions of the new body, NCVER believes that the former Australian Workforce and Productivity Agency (AWPA) offers the closest alignment with the new JSA, noting there are likely to be some differences in functions.

About NCVER

NCVER is an independent, not-for-profit company owned by the Australian Government and state and territory government ministers responsible for vocational education and training (VET). NCVER collects, manages, analyses and communicates research and statistics about VET. NCVER's vision is to transform national understanding of VET.

Background

NCVER is the official collection agency for national VET statistics and undertakes a strategic program of research guided by the Australian and State and Territory governments and the Skills Senior Officials Network. It also manages the international tertiary education research database, VOCEDplus, which includes the VET Knowledge Bank.

As the national data custodian, NCVER collects national VET statistics under the authority of ministers responsible for education and training and the registration requirements legislated for training providers. Statistical releases, including a range of tools used to understand training undertaken by students, as well as NCVER's research are published widely. As it has for over 40 years, NCVER provides information to a wide range of stakeholders within both government and non-government sectors.

Context – historical Australian agencies with a role in understanding jobs and skills

This year marks thirty years since the Commonwealth government and state and territory governments made a landmark decision, agreeing to create a nationally coordinated training system recognising that a more uniform approach to VET would contribute significantly to Australia's competitiveness in a global market (Bowman & McKenna 2016). It was also acknowledged that there was a compelling need to fund greater training efforts through the joint resources of the Commonwealth and state and territory governments (Bowman & McKenna 2016).

An important component of a new national approach to VET was to coordinate efforts between governments to understand skills and labour market trends and issues to ensure a highly skilled Australian workforce. In addition, new Commonwealth and state and territory partnerships and national agreements were established which required oversight and data and research to form the basis of training performance targets and, in some cases, oversee Commonwealth funding transfers to states and territories.

Australian National Training Authority

In the early 1990s, the Commonwealth and state and territory governments agreed to a set of national goals and objectives, effectively establishing a national VET system with joint responsibility for funding under the auspices of the Australian National Training Authority (Bowman & McKenna 2016, Australian Government Department of Prime Minister and Cabinet 2014). The agreement was formalised under the *Australian National Training Authority Act 1992*, creating the Australian National Training Authority (ANTA), a Commonwealth statutory body directly responsible to the Ministerial Council, which began operating in 1994 (Ferguson 2020, Bowman & McKenna 2016, Australian Government Department of Prime Minister and Cabinet 2014).

The Ministerial Council (MINCO), comprising the ministers responsible for VET from the Commonwealth and each state and territory, was the peak government decision-making body for VET and had oversight of ANTA's operations.

ANTA, through its industry-led board of nine members, including a member from a relevant state or territory training department, was responsible to MINCO for formulating, developing and implementing national VET policy. It also oversaw Commonwealth funding allocations for VET and four advisory bodies. These bodies included the National Training Quality Council, which oversaw the National Training Framework, specifically the quality training framework and training packages; the Australian Indigenous Training Advisory Council; the Australian Disability Training Advisory Council; and the National Training Statistics Committee (Australian Government Department of Education, Science and Training 2005). ANTA also established ten industry skills councils to drive the exchange of advice and information with industry (Australian Government Department of Education, Science and Training 2005).

Skills Australia

In 2008, Skills Australia was established under the *Skills Australia Act 2008*, as part of the newly elected Government's election policy to address skills shortages and curb inflation (Kempner 2008). The statutory body, which was subject to Ministerial direction in relation to its functions, comprised a Board of seven experts responsible for providing the Australian Government with independent advice on workforce development and workforce skills needs.

For this purpose, Skills Australia's functions focused on analysing current, emerging, and future workforce skills needs across industry sectors, assessing research and information from parties with an interest in workforce development needs and workforce skills needs, and advising the government.

Skills Australia's governance structure included a six-member board with experience in academia, the provision of education and training, economics and industry and a chair appointed by the federal Minister.

The establishment of Skills Australia marked a return to a multi-member Australian Government advisory body, of which one of its responsibilities was to maintain relationships with states and territories and their relevant authorities (Ferguson 2020). However, it was not responsible for program administration (Fergusson 2020).

Australian Workforce Productivity Agency

In response to requests from industry and unions and a recommendation from Skills Australia, the Australian Government announced the creation of an industry-led national workforce and productivity agency in the 2011-12 Budget (Australia, House of Representatives, Debates, 22 March 2012). The aim of the new agency, the Australian Workforce Productivity Agency (AWPA), was to improve long-term workforce planning and development to address

skills and labour shortages and contribute to improvements in industry and workplace productivity (Australia, House of Representatives, Debates, 22 March 2012).

Building on Skills Australia's primary responsibility of providing independent advice on current and future workforce skills needs continued, AWPAs functions were expanded to enable the agency to advise the government to direct funding to areas of critical industry need and to be an authority on workforce development policy. AWPAs also had a key role in advising the government on policy direction and expenditure priorities for the industry-focused National Workforce Development Fund (Australia, House of Representatives, Debates, 22 March 2012). To accommodate its expanded role and responsibilities, the number of Board members increased from seven to ten, having between them experience in academia, the provision of education and training, economics, industry, and the representation of employees (Doyle 2012).

AWPA's key functions were to develop sectoral workforce development plans, assess research, consult industry, disseminate information on workforce planning issues and advise on government funding. This arrangement provided the industry with a direct say in Australian government investment in workforce development (Australia, House of Representatives, Debates, 22 March 2012).

Response to Jobs and Skills Australia Bill 2022 [Provisions] and the Jobs and Skills Australia (National Skills Commissioner Repeal) Bill 2022 [Provisions]

NCVER supports the introduction of the new Jobs and Skills Australia and its defined role as indicated in the Jobs and Skills Australia Bill 2022, building on the work started by the current National Skills Commission.

Reflecting on the models outlined in this submission, the governance model and functions of AWPAs would appear to be the best fit for the new Jobs and Skills Australia (JSA).

There is a strong alignment between AWPAs primary functions and the proposed JSAs functions to provide advice to the:

‘...Minister for Employment and Workplace Relations and the Minister for Skills and Training...in relation to a range of current and emerging labour market and workforce skills and training issues to improve employment opportunities for individuals and help drive economic growth’ (Explanatory memorandum, Jobs and Skills Australia Bill and Jobs and Skills Australia [National Skills Commissioner Repeal] Bill 2022).

In addition, the incorporation of employee representatives in the governance of AWPAs is consistent with ‘...the Government's commitments to tripartism’ (Explanatory memorandum, Jobs and Skills Australia Bill and Jobs and Skills Australia (National Skills Commissioner Repeal) Bill 2022). Considering this commitment, and the requirement for genuine consultation with state and territory governments, NCVER suggests that the JSA could include a representative from a state or territory skills department or statutory industry advisory body, on the Board of governance.

The inclusion of a representative from a state or territory would also ensure that JSAs deliberations would be informed by expert advice on jurisdictional and regional skills and employment issues.

NCVER would be keen to support the work of the new Jobs and Skills Australia in our role as the national VET data custodian and research agency. Our skills (supply) data and research are extensive and crucial to understanding key skills and supply questions and would supplement the demand side information produced by other agencies. NCVER has worked closely with the National Skills Commission in relation to research on patterns of regional and remote vocational education and training participation and in activities supporting the Multi-agency Data Integration Project (MADIP) under the auspices of the Australian Bureau of Statistics. In due course, NCVER would like to explore with the new organisation how we can participate in and help advance the work of the JSA.

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