Submission to Senate Education and Employment Legislation Committee

# ATSE SUBMISSION ON JOBS AND SKILLS AUSTRALIA BILL 2022

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ATSE

Australian Academy of Technology & Engineering

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The Australian Academy of Technological Sciences and Engineering (ATSE) is a Learned Academy of independent, non-political experts helping Australians understand and use technology to solve complex problems. Bringing together Australia's leading thinkers in applied science, technology and engineering, ATSE provides impartial, practical and evidence-based advice on how to achieve sustainable solutions and advance prosperity.

ATSE welcomes the opportunity to respond to the Education and Employment Legislation Committee's inquiry into new legislation, the Jobs and Skills Australia Bill 2022 [Provisions] and the Jobs and Skills Australia (National Skills Commissioner Repeal) Bill 2022 [Provisions]. In this submission, ATSE makes the following recommendations to strengthen Jobs and Skills Australia:

**Recommendation 1:** Add a function under Section 9 to provide for Jobs and Skills Australia to create and administer a national skills register.

**Recommendation 2**: Amend Section 9 to require Jobs and Skills Australia to conduct research and analysis and advise the Minister on workforce equity and diversity.

**Recommendation 3**: Amend Section 9 to specify that Jobs and Skills Australia must undertake forecasting up to fifteen years in the future.

**Recommendation 4**: Amend Section 10c to explicitly include the learned academies as bodies that Jobs and Skills Australia must consult and work with.

**Recommendation 5**: Create a board of Jobs and Skills Australia, with industry representatives, and enshrine this in the legislation.


**Understanding STEM skills shortages**

ATSE welcomes the establishment of Jobs and Skills Australia as a new national body to understand and plan for future workforce needs. A highly skilled workforce will be required to operate emerging national industries in a decarbonising economy. The insights provided by Jobs and Skills Australia will enable evidence-based workforce planning.

Australia is contending with STEM (science, technology, engineering, and mathematics) and STEM teacher shortages. ATSE's in-progress work on Skills for a Technology Powered, Human Driven Future focuses on the critical shortages in agriculture, engineering, and mathematics education, and considers how digital skills and entrepreneurship skills can be embedded at a school level. ATSE would welcome more robust data on STEM skills needs to inform policy solutions for the current and projected shortages. The richer data produced by Jobs and Skills Australia will also enable decision makers to plan for future anticipated skills shortages.

Understanding the depth of Australia's skills shortage is a challenge is hindered by the lack of a 'common language' in the space and a skills registry in Australia. The National Skills Commission commenced important foundational work on providing a common vocabulary for skills with the launch of the Australian Skills Classification in 2021. The latest release of the Australian Skills Classification in April 2022 has added over 500 skills profiles for occupations, bringing the total number to 1,100 and specifically flagging trending, emerging, and in-demand digital skills. This work needs to be further developed by Jobs and Skills Australia. Similarly, the Australian and New Zealand Standard

Classification of Occupations (ANZSCO), managed by the Australian Bureau of Statistics, needs to accurately capture the occupations and skills in the current labour market.

There is also scope to expand Jobs and Skills Australia's function to the development, implementation, and maintenance of a national skills register. Without a skills register it remains unclear what skills are available within the workforce, especially those that are informally developed in the workplace. This register would support employers and workers to articulate and match their skills needs. This function should be embedded in Section 9 of the bill.

**Recommendation 1:** Add a function under Section 9 to require Jobs and Skills Australia to create and administer a national skills register.

**Supporting a diverse skilled workforce**

Currently, the National Skills Commission publishes limited data on workforce participation by gender, though it is explored in longer reports such as the State of Australia's Skills 2021. Women's workforce participation is also explored in Australian Bureau of Statistics and Workplace Gender Equality Agency data and analysis. Data on Indigenous Australians' workforce participation is collected through the Australian Institute of Health and Welfare. The establishment of Jobs and Skills Australia provides an opportunity to provide consolidated, in-depth data and analysis on workforce participation with particular attention to women, people with caring responsibilities, and Aboriginal and Torres Strait Islander people. This analysis should also be used to identify areas for improvement and advise the Minister accordingly.

Diversity and inclusion are critical not just to support workforce participation but also to drive the effectiveness of business and underpin a strong labour market and economy. The Diversity Council Australia's Inclusion@Work index found that inclusive work teams are more highly effective and innovative than non-inclusive teams. Workers in inclusive teams are also four times less likely to leave their job within the next twelve months, and four times more likely to work extra hard.

Equity, diversity, and inclusion must be embedded within Jobs and Skills Australia from the outset. This should be established by the legislation through adding a point to Section 9 requiring Jobs and Skills Australia to undertake research and analysis, and provide advice to the Minister, on workforce equity and diversity.

**Recommendation 2**: Amend Section 9 to require Jobs and Skills Australia to conduct research and analysis and advise the Minister on workforce equity and diversity.

**Creating useful forecasting**

ATSE welcomes the inclusion of forecasting for workforce, skills, and training needs (and publication of this information) in the functions of the new Jobs and Skills Australia. Forecasting is not currently undertaken robustly and comprehensively by any other group in Australia. The current National Skills Commission is largely limited to producing descriptive statistics of the labour market. While this function is important, it is crucial that Jobs and Skills Australia goes further in its analysis to bring Australian forecasting into line with best practice internationally, such as the employment projections created by the United States Bureau of Labor Statistics.

Jobs and Skills Australia's forecasting should be long-term (up to fifteen years) with greater depth and rigour than currently available reports. The requirement for long-term forecasting should be specified in the legislation. This additional analysis could be used to meaningfully inform long-term strategy and

investment of governments, industry, and education and training providers, including by enabling planning for training capacity to better match workforce needs.

Jobs and Skills Australia should also consider workforce diversity and equity in their forecasting, building upon the important foundational work undertaken by the Diversity Council Australia's Inclusion@Work Index that identifies opportunities for change with their 'leading and lagging' industries rankings. Including diversity and inclusion considerations in forecasting would identify key areas for intervention.

**Recommendation 3**: Amend Section 9 to specify that Jobs and Skills Australia must undertake forecasting up to fifteen years in the future.

**Sourcing robust, expert data input**

The bill specifies in Section 10 types of bodies that Jobs and Skills Australia must consult and work with. Currently, the list includes State and Territory Governments and relevant authorities, employers, unions, training providers and other industry stakeholders. ATSE recommends adding the learned academies (which includes ATSE) to this list. The learned academies can draw on experts to provide trusted, independent, and evidence-based advice concerning their fields across the public, private and research sector. Access to expert advice directly from the learned academies would also provide an alternative to relying upon the insights of consultants, as provided for by the bill.

**Recommendation 4**: Amend Section 10c to explicitly include the learned academies as bodies that Jobs and Skills Australia must consult and work with.

**Establishing sound governance for Jobs and Skills Australia**

The bill creates a Director of Jobs and Skills Australia but does not create a board. Establishing a board governance structure for Jobs and Skills Australia would be a mechanism to provide sound governance for the new statutory body as well as bring in industry expertise and experience. This would also reduce the need to engage consultants, as suggested in Section 16, to seek out industry perspectives.

**Recommendation 5**: Create a board of Jobs and Skills Australia, with industry representatives, and enshrine this in the legislation.