Australian Government

Jobs and Skills Australia

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Annual Report 2023-24

31 October 2024

Appendix G – Annual Report of Jobs and Skills Australia

This report provides information about the performance of the functions of Jobs and Skills Australia (JSA) under the *Jobs and Skills Australia Act 2022* (the JSA Act) and the exercise of the Commissioner's powers during 2023–24.

About Jobs and Skills Australia

On 16 November 2022 JSA was formally established, with an amendment to the JSA Act in August 2023 transitioning JSA to its permanent governance arrangement.

The main functions of JSA are to:

1. provide advice to the Minister and to the Secretary on Australia's current and emerging labour market (including workforce needs and priorities) and Australia's current, emerging and future skills and training needs and priorities (including in relation to apprenticeships)

2. provide reports on the labour market and workforce skills and training needs and priorities to assist with government policy development and program delivery.

The *Jobs and Skills Australia Amendment Act 2023* amended the JSA Act to:

- provide for the permanent governance arrangements and functions of JSA, including establishment of the JSA Commissioner and JSA Deputy Commissioners.
- provide for the Minister to establish a Ministerial Advisory Board (MAB) to advise in relation to the performance of the functions of JSA.
- provide for a review of the operation of the JSA Act.

JSA is a secondary statutory body within the Department of Employment and Workplace Relations (DEWR). JSA is composed of the Commissioner and staff made available by the Secretary of DEWR to assist the Commissioner in delivering their legislative functions.

Professor Barney Glover AO began his 5-year term as Commissioner of JSA on 15 April 2024. Professor Glover is directly accountable to the Minister for Skills and Training.

Mr David Turvey was the acting Commissioner of JSA from 7 October 2023 to 14 April 2024, and Professor Peter Dawkins AO was the Interim Director of JSA from 1 December 2022 until 6 October 2023.

Mr Turvey and Professor Dawkins oversaw the delivery of several strategic products, including JSA's first workforce capacity study, *The Clean Energy Generation: workforce needs for a net zero economy*, the commencement of the Foundation Skills Study, and the inaugural *Jobs and Skills Report: towards a national jobs and skills roadmap*. They also played a central role in guiding the organisation through its establishment phase, positioning JSA for future success and growth.

Ministerial Advisory Board and the Consultative Forum

JSA's MAB was established by the Hon Brendan O'Connor MP, as Minister for Skills and Training, on 27 March 2024 and held its first 2 meetings in May and June 2024. The MAB Chair is Ms Cath Bowtell. The MAB provides independent expert and strategic advice to the Minister for Skills and Training and to the JSA Commissioner in relation to JSA's legislated functions and the development of annual work plans.

It also ensures that tripartite partners and leaders, with knowledge and experience of key workforce groups, help plan for the nation's current and future skills, labour market and workforce needs.

Members have been working closely with JSA to advise on the 2024–25 work plan. In May 2024 members agreed to establish an Education and Training Reference Group, to provide advice to the MAB on matters relating to tertiary education and its intersection with the performance and functions of JSA.

The MAB was preceded by the JSA Consultative Forum, convened by Mr John Azarius, which provided a rich source of advice on JSA's activities as it developed through establishment. JSA gratefully acknowledges the time and commitment of the Consultative Forum members. Their generosity of insights and collaboration showed a true commitment to a tripartite approach. The Consultative Forum was an essential engagement forum for JSA during its interim establishment phase, providing advice that assisted JSA in:

- developing and publishing a Stakeholder Engagement and Outreach Strategy
- developing JSA's interim strategic plan
- developing the 2023–24 work plan
- consulting on JSA's future work plan processes and annual work plan development approach
- developing the Clean Energy Workforce Capacity Study
- analysing labour markets and the Skills Priority List
- developing the 2023 Jobs and Skills Report
- establishing relationships with Jobs and Skills Councils.

The JSA Work Plan

The JSA Act requires the Commissioner to prepare a work plan, in writing, for each financial year. In preparing the work plan, the JSA Commissioner must consult with the Minister and the Ministerial Advisory Board, and may consult with any other minister and any other person that the JSA Commissioner considers appropriate. The JSA Commissioner must also invite public submissions on the work plan.

JSA's annual work plans are focused on providing high-quality advice to underpin Australia's response to current, emerging and future workforce, skills and training needs. Each work plan sets out the outcomes and priorities for the financial year, such as major in-depth studies, research and analytic projects.

On 4 October 2023, JSA published its 2023–24 work plan. This followed a period of consultation with the Consultative Forum, state and territory officials, and other Commonwealth agencies on the process for developing forward work plans to ensure partner and stakeholder input into the work of JSA.

The 2023–24 work plan consisted of 4 core elements:

1. **The Jobs and Skills Report** – JSA's consolidated advice on and analysis of the short, medium and long-term skills needs of the Australian economy and how they could be met.

2. **Strategic advice and deliverables** – advice on the national skills system, including JSA's major in-depth studies and input into policy processes.

3. **Labour market and skills analysis and products** – ongoing and regular publications, including analysis of labour markets, skills needs and skills shortages.

4. **Expanding the evidence base** – ongoing research and development to enhance advice, drive continuous improvement, develop new intellectual property and address data gaps.

Underpinning this, JSA was supported by enabling activities to support its strategic operations.

Consultation on the 2024–25 JSA work plan commenced and a public submission process was opened on 28 November 2023 and closed on 24 February 2024. Consultation on the 2024–25 work plan occurred between February and June 2024 with the MAB, Jobs and Skills Councils, state and territory governments and other Commonwealth departments and agencies.

The Jobs and Skills Report

Professor Peter Dawkins delivered a presentation at the National Press Club in October 2023, launching the inaugural *Jobs and Skills Report; towards a national jobs and skills roadmap*, which provided an assessment of the dynamics of Australia's current job and skills landscape. The report highlights persistent and elevated skills shortages across various sectors, including those which will be crucial to shaping Australia's future.

## Strategic advice and deliverables

As a key economic advisory body, JSA provides independent advice on current, emerging and future workforce, skills and training needs to improve employment opportunities and economic growth. JSA has engaged with stakeholders to effectively provide advice to government and inform decision-making, and has released significant reports, data tools and regular analysis of the labour market.

JSA contributes to many national projects and priorities and is frequently engaged by other areas of government seeking evidence and customised data to support their work. JSA has had a significant impact across key government initiatives. These include influence in the Care and Support Economy

Strategy, *Working future: the Australian Government's white paper on jobs and opportunities* (the Employment White Paper), the Net Zero transition, Closing the Gap, gender equality and safety, the National Skills Agreement, the Australian Universities Accord, and the Migration Strategy. JSA will continue to work with agencies on issues such as the food supply chain, the Strategic Fleet, the Strategic Review of the Apprenticeships Incentive System, VET qualifications reform, housing affordability and the proposed Australian Tertiary Education Commission.

JSA progressed its second capacity study on the early childhood education and care (ECEC) workforce. The study highlights the current workforce pressures within the sector which, if unaddressed, will limit the sector's ability to advance Australia's future productivity and prosperity. The study's analysis of remuneration for ECEC professionals contributed to the government's recent policy initiatives, including the worker retention payment. The study also recommends actions on qualification reform, professional development and career progression for government and stakeholders to take forward.

JSA's *The Clean Energy Generation* report has already influenced a range of stakeholders. Analysis of and advice on the skills and workforce needs for the clean energy sector informed outcomes of the 2024–25 Budget, such as the National Energy Workforce Strategy and TAFE Centres of Excellence for Electric Vehicles in the ACT, and Clean Energy in WA. Industry organisations have taken note in their Net Zero sectorial plans, the Powering Skills Organisation referenced the report extensively in its 2024 workforce plan, and there has been international interest through the Australia–Singapore Green Skills Roundtable.

Illustrating our impact – a case study
Clean Energy Capacity Study
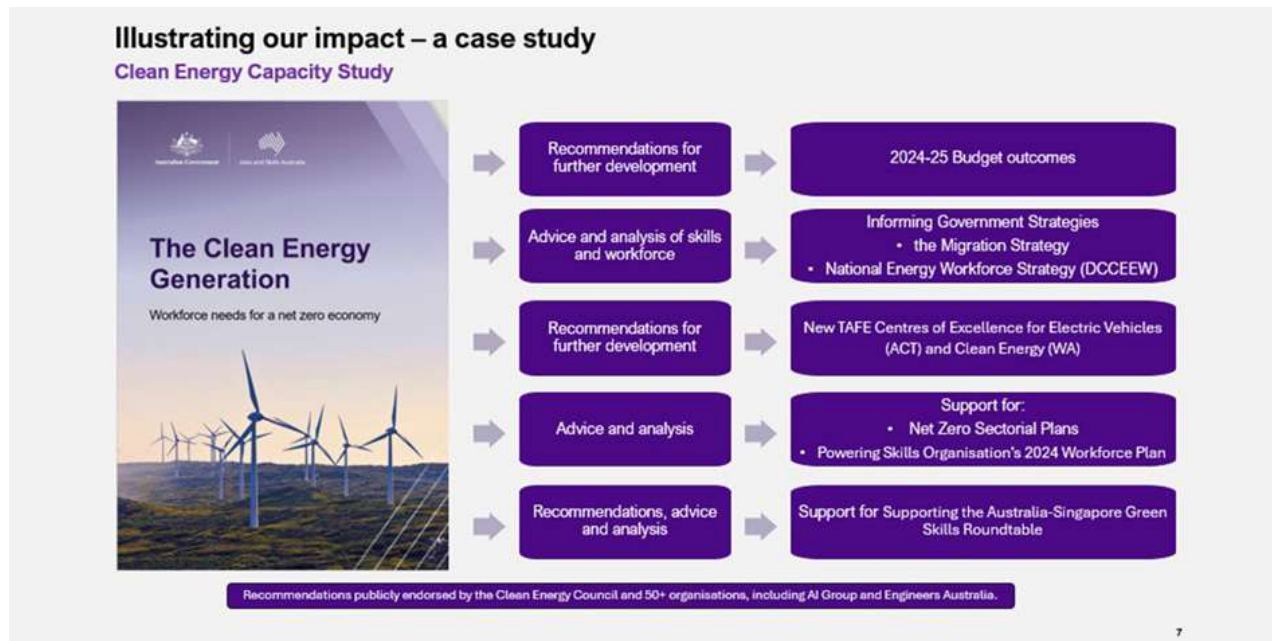
JSA continued to progress work on the National Study of Adult Literacy, Numeracy and Digital Skills to assess current foundation skills across Australia. Roy Morgan Research was engaged to assist JSA with the development and implementation of a national survey. JSA engaged Kuaba to consult with stakeholders that hold literacy, numeracy and digital skills related data for the purposes of developing an approach to providing more contemporary and frequent information on foundation skills.

JSA's input into the Migration Strategy and dialogue with the Department of Home Affairs is ongoing. As part of this, JSA is conducting a study of the migration pathways of, and labour market barriers experienced by, international students. Initial outreach to stakeholders began in February 2024, and the final report is to be released in the second half of 2024. JSA also developed the Migration Labour Market Indicator Model which, in combination with tripartite consultation and qualitative analysis, will inform JSA's advice to government on the Core Skills Occupation List.

JSA continued its capacity study on the workforce needs of Australia's food supply chain. The study will provide critical evidence, insights, and recommendations to support workforce planning,

policy development and program design for the core components of the food supply chain workforce. Terms of reference for the study were finalised in April 2024 and multiple stakeholder engagement processes were undertaken, beginning in February 2024 and continuing throughout the rest of the financial year. The study will complement the existing work of Jobs and Skills Councils, the Australian Bureau of Agricultural and Resource Economics and Sciences, industry and others.

JSA released the 2023 Skills Priority List in October 2023. Released annually, this is an online tool that provides an assessment of whether occupations are currently in shortage at the national, state or regional level and the anticipated future demand for occupations.

A new JSA report, *VET Student Outcomes 2018–19 – top 100 courses*, released in November 2023, tracks VET student outcomes for the top 100 courses (by completion). JSA collaborated with the Australian Bureau of Statistics (ABS) and the National Centre for Vocational Education Research (NCVER) to develop a new data collection, the VET National Data Asset, to facilitate this analysis.

The final report of the Universities Accord process was presented to the Minister for Education on 28 December 2023. JSA had extensive engagement with the accord process and met with the review panel several times during the development of the final report.

JSA made public submissions to and appeared before multiple parliamentary inquiries. These included the House of Representatives Standing Committee on Employment, Education and Training inquiry into the perceptions and status of vocational education and training, the House of Representatives Select Committee on Workforce Australia Employment Services, the House of Representatives Standing Committee on Regional Development, Infrastructure and Transport inquiry into local government sustainability, and the Joint Standing Committee on Aboriginal and Torres Strait Islander Affairs inquiry into economic self-determination and opportunities for First Nations Australians.

Labour market and skills analysis

JSA publishes a range of labour market data and analysis providing insights into how the labour market is performing. This includes the quarterly Labour Market Update, which provides information on issues affecting Australia's current and emerging labour market. The updates bring together a range of JSA and ABS data sources to analyse the state of the Australian labour market.

JSA's monthly Internet Vacancy Index (IVI) is the only publicly available source of detailed data on online vacancies by occupation.

JSA leads work on skills shortage analysis including the annual Skills Priority List and reports on skills shortages. In early October 2023, JSA released its 2023 Skills Priority List. JSA's Skills Shortage Quarterly (SSQ) report offers analysis of occupation shortage pressures using data from JSA's Survey of Employers Who Recently Advertised. The insights in the SSQ complement and expand on skills shortage discussions in the Key Findings Report that accompanies the annual Skills Priority List and quarterly Labour Market Update.

Recent key publications
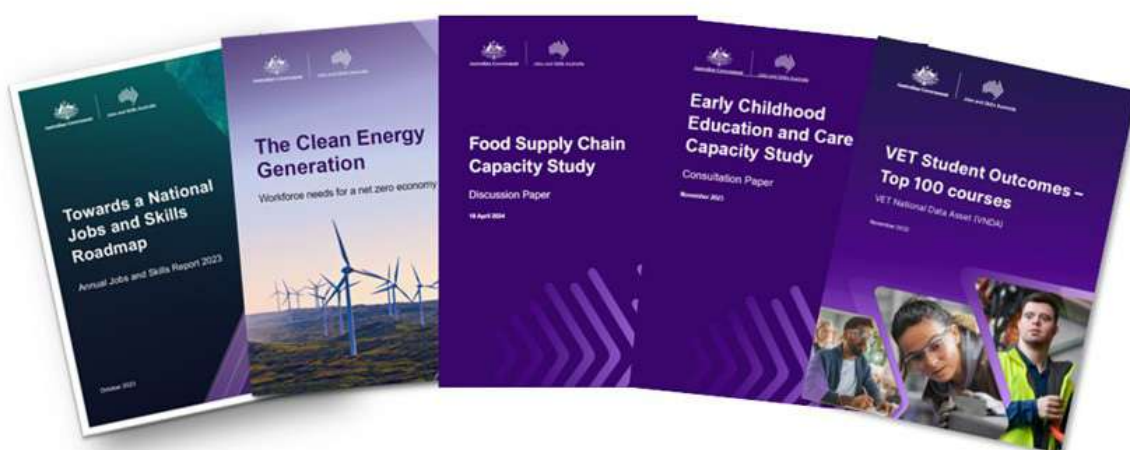
JSA also conducts the Recruitment Experiences and Outlook Survey (REOS) to learn about employers' recruitment needs and to better connect job seekers with employment opportunities. The monthly *Recruitment Insights Report* provides data on employers' recruitment activity, recruitment difficulty and expectations about hiring staff in the future. Findings are published soon after being collected, providing an almost real-time view of business recruitment demand and confidence. REOS 'Spotlight' reports are also produced most months, featuring analysis of unique topics or themes. In March 2024, JSA also released the REOS 2023 in Review report, which painted a picture of slowing labour market conditions over the year, with a decrease in recruitment activity and signs that businesses were finding it easier to recruit staff across most industries.

JSA is providing regional estimates of unemployment and unemployment rates in the quarterly publication of Small Area Labour Markets estimates. The purpose of this is to provide statistical estimates of unemployment numbers, unemployment rate and the labour force at a more detailed level of disaggregation than provided by the official ABS Labour Force Survey estimates.

The Nowcast of Employment by Region and Occupation (NERO) is an experimental dataset that provides timely information on employment in 355 occupations across 88 regions in Australia on a monthly basis. Previously this type of data was only readily available every 5 years as part of the ABS Census of Population and Housing. NERO can be combined with job advertisement data (from the IVI) to better understand regional labour markets (including providing insights on skills shortages at a regional level).

For those considering moving to Australia for work, the *Australian Labour Market for Migrants* publication is released quarterly. It provides useful information on the Australian labour market for recent migrants to Australia, people interested in working in Australia on a temporary or permanent basis, and organisations providing services to migrants and potential visa applicants.

JSA additionally develops a range of resources which provide insights into the labour market and employment conditions across Australia including:

- monthly labour market dashboards
- recruitment trends and employer needs profiles
- industry profiles.

The National Careers Institute published Australian Jobs 2023 on 24 November 2023. This report provides an easy-to-read analysis of current trends in the Australian labour market, making it a great resource for school leavers and job seekers to use to navigate the labour market and for those supporting them, such as career advisors and employment service providers. JSA provided significant analysis to deliver a single source of information on industries, occupations, and local labour markets for the report. It also provided guidance about the skills employers are looking for, educational pathways and strategies to find a job.

Expanding the evidence base

In the 2023 *Annual Jobs and Skills Report*, published in October 2023, JSA presented integrated analysis of employment and related formal training by gender. Through analysis of 2023 Skills Priority List outcomes, JSA identified that occupations which have a strong gender imbalance were more likely to be in shortage. This was expanded in subchapter 3.1.2 of the report which concluded with several recommendations for a way forward.

The VET National Data Asset (VNDA) is another example of the types of products that JSA uses to build its evidence base. Initiated in 2021 as a

collaboration between JSA and the ABS, the VNDA provides the ability to examine a broad range of short-term and long-term outcomes following the completion of training. For example, it contains information on employee income, employment status, reliance on income support, and progression to further education and training. By using administrative data collected over multiple years, JSA can observe a range of measures in the years following training. This means it can greatly expand on the insights currently available through the NCVER Student Outcomes Survey.

On 22 May 2024, JSA released its Registered Training Organisation (RTO) Typology methodology paper on the JSA website. The paper sets out JSA's methodology for developing the RTO Typology, outlines amendments made as part of stakeholder co-development processes and indicates how JSA intends to use the RTO Typology to provide advice on and analysis of the VET system.

The December 2023 quarter Labour Market Update was the first to draw JSA's new Regional Labour Market Indicator (RLMI) to assess and compare the relative labour market strength of regions at Statistical Area Level 4. Importantly, the RLMI's purpose aligns with the Australian Government's approach to consider a broader range of labour market indicators, including indicators of labour market utilisation, to measure progress towards sustained and inclusive full employment, as outlined in the Employment White Paper.

JSA continued developing a national skills supply and demand framework to assess the demand and supply of skills across the economy over time. Occupational dashboards were completed in April 2024 and shared with the panel undertaking the Strategic Review of the Australian Apprenticeship Incentive System and Jobs and Skills Councils.

JSA engagement approach

JSA's engagement with tripartite partners is central to delivering the legislated functions. This includes working with unions, employers, industry, state and territory governments and the Australian Government, education and training providers, and other key stakeholders in developing and providing advice on Australia's current and future skills needs. JSA's approach to engagement was outlined in its Engagement and Outreach Strategy, which was developed in consultation with tripartite and other key partners, as well as DEWR, and published in July 2023.

JSA has established a broad engagement framework including regular scheduled engagement with the MAB; an interdepartmental committee for regular engagement within the Australian Government; a states and territories forum; and regular meetings with Jobs and Skills Councils. An Education and Training Reference Group has been established to provide ongoing advice to the MAB on JSA work relating to the education and training sector. Furthermore, all major projects have dedicated stakeholder engagement strategies, which usually include a project specific steering committee, submissions process and stakeholder roundtables. JSA also engages in broad public consultation, as well as presenting speeches, attending events and participating in conferences, roundtables and industry discussions.

The Jobs and Skills Symposium was held in Canberra on 3 and 4 October 2023, to bring together key stakeholders from the national skills system, including state, territory, and Commonwealth governments, businesses, unions, VET and higher education sector representatives, and Jobs and Skills Councils. Over the course of this event, JSA launched *The Clean Energy Generation* report, the 2023 Jobs and Skills Report, and the 2023 Skills Priority List, and facilitated panel discussions on the needs of the growing clean energy sector.

JSA has also focused on strengthening its partnership with Jobs and Skills Councils by providing them with access to the ATLAS Pro platform, a new way to access a range of data and tools from JSA, the ABS and other sources, and supporting them with their workforce planning. JSA facilitates this relationship with the support of a dedicated Jobs and Skills Councils Information and Advice team within the agency, regular attendance at the Jobs and Skills Councils CEO forum and participation in Jobs and Skills Councils-led events.

The Commissioner and SES staff made over 100 speeches and presentations in 2023–24, and JSA released 8 public consultations on its website and provided extensive input into national policy discussions.

Professor Barney Glover AO
Commissioner
Jobs and Skills Australia