

12 April 2012

Committee Secretary
Senate Education, Employment and Workplace Relations Committees
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Sir/Madam

Skills Australia Amendment (Australian Workforce and Productivity Agency) Bill 2012

Australia's largest and most representative business organisation, the Australian Chamber of Commerce and Industry (ACCI) has a very active policy agenda in the area of employment, education and training. In that regard the proposed passing into legislation of the above bill to establish the Australian Workforce and Productivity Agency is of strong interest to ACCI and its 37 member associations.

ACCI supports the passage of the Bill, and offers the following comments by reference to the Committee's summary of the key elements of the proposed legislation:

- **Replace the existing Skills Australia body with the Australian Workforce and Productivity Agency**

ACCI supports the broadening of the role of what is currently Skills Australia to reflect the need for skills to be seen in the context of workforce planning and development. The emphasis on productivity in the title and role of the Agency is also supported, as it draws attention to the important economic outcomes to which workforce development contributes.

- **Allow the provision of advice on workforce development funding and Commonwealth industry skills**

The inclusion of this new function reflects the important role that the new Agency will play in directing investment in workforce development through the National Workforce Development Fund. The principles of the funding approach, and the important opportunity for industry to have input into how the funding should be prioritised is supported.

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- **Allow for a stronger research, analysis and advisory role for the workforce and productivity agency**

An evidenced based approach to the provision of policy advice and the prioritisation of funding is critical. Given the substitution effects of VET with higher education and other career options, together with the importance of all educational outcomes (school, VET and higher education) on workforce development and productivity, a holistic research assessment approach is vitally important. We would expect that, rather than duplicate activity, the new Agency in its expanded research capacity will work closely with other research agencies including the Australian Bureau of Statistics and the National Centre for Vocational Education Research (NCVER), and in that regard would perform a valuable role in assessment and interpretation of existing research, and conduct primary research where there are gaps.

- **Expand the size of the body from seven to ten members, including an independent chair**

The expansion of the Board allows for there to be a strong cross-section of industry representatives and people with specialised, and appropriate, backgrounds.

- **Expand the membership criteria to reflect the transition to a union and industry-led body**

ACCI strongly supports that the Agency is an “industry-led body”, although we note that in our experience in the context of skills, “industry” generally refers to employers as represented by their associations **and** employees as represented by unions. Importantly, on the previous seven member board the wording of “industry” in the current legislation would have covered the role of the employer and the ACTU representative.

We note that in Section 9, the proposed amendment to the Act seeks to add that there must be a representation of employees, but no corresponding representation of employers, retaining instead the term “industry” although there is neither in the main Act nor in the amendment a definition of “industry”.

“In making appointments, the Minister must ensure that the members of the Australian Workforce and Productivity Agency have, between them, experience in:

- (a) academia; and
- (b) the provision of education or training; and
- (c) economics; and
- (d) industry; and
- (e) the representation of employees.”

Given that the context through the explanatory memorandum reinforces industry, but that there is no definition of that, we recommend that the wording in (d) be changed to be “the representation of employers”. This sufficiently removes ambiguity and creates balance.

In summary, ACCI strongly supports the proposed changes to the Skills Australia Act, and the establishment of the new Agency. We have identified only one aspect of the Bill that requires specific attention, being the balance in the wording relating to employer and employee representatives.

ACCI would be pleased to expand on any of the issues raised in this submission, should the Senate Committee require it.

Yours faithfully,

JENNY LAMBERT
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