

### **SUBMISSION GUIDE**

Review of the Australian and New Zealand Standard Classification of Occupations (ANZSCO) June 2022



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#### 1 INTRODUCTION

ANZSCO provides a systematic classification structure that categorises the entire range of occupational activity in the Australian and New Zealand labour markets. It is used by governments and organisations in activities such as matching jobseekers with job vacancies, shaping educational pathways, skilled migration programs and workforce strategies that equip Australians with skills to get jobs and stay employed.

#### 1.1 TARGETED UPDATES

While the ANZSCO has had some minor updates, it still largely reflects the original 2006 version of ANZSCO, based on the 2001 labour market. In 2021, the ABS trialled a new, targeted approach to updating the ANZSCO, and in November released the <u>ANZSCO 2021, Australian Update</u>.

The ANZSCO 2022, Australian Update will be released on the ABS website in November 2022. Refer here for the complete list of occupations within scope of the 2022 targeted update.

These updates have been facilitated through a partnership between the ABS and several Australian government agencies to address key priorities and to test a new approach to maintaining the classification. For further information, please refer to the list of <u>frequently asked questions</u>.

#### 1.2 COMPREHENSIVE REVIEW

Recently, the Australian government announced new funding over 4 years for the ABS to undertake a comprehensive update of ANZSCO (for delivery by December 2024) and commence an ongoing maintenance program from 2025. This measure will enable the ABS to commence a review of the remaining areas of the classification yet to be updated from July 2022. The ABS is working on a delivery plan for this extensive program of work and will release further information on the schedule of review work and when stakeholder input will be sought.

If you have an interest in changes to ANZSCO and would like to subscribe to receive communication regarding future updates please provide contact details via <a href="mailto:anzsco.maintenance@abs.gov.au">anzsco.maintenance@abs.gov.au</a>

#### 2 WHY ARE WE CONSULTING?

#### 2.1 SKILLS IN ANZSCO

ANZSCO is a skill-based classification. It was first published in 2006 with a (then) contemporary concept and measurement of skill. However, consultation with key users of the classification has identified that the way in which skills are reflected in ANZSCO needs to change to reflect how skills are used in the contemporary Australian labour market. An initial set of key issues were identified with our partners and published in a Skills Problem Statement in March 2022. Feedback was received from users and incorporated into a revised Problem Statement.

The ABS is now seeking input on six proposed options to address the key areas of concern in the Problem Statement to ensure they are supported by users of the classification.

For any queries regarding the content of the options paper please contact us by emailing anzsco.maintenance@abs.gov.au

#### 2.2 MAINTAINING ANZSCO

The ABS has been developing a new approach to maintaining ANZSCO to keep it more reflective of the contemporary labour market and better meet the needs of stakeholders. This public consultation seeks input on the core components of a maintenance strategy that could best support users to accommodate changes to different levels of the classification at more regular intervals.

Balancing different objectives including coherence and timeliness is an important consideration in maintaining ANZSCO to meet the diverse needs of users. Public consultation and ongoing stakeholder engagement will continue to inform the future ANZSCO maintenance program scheduled to commence in 2025, following delivery of the comprehensive update in 2024.

#### 3 HOW DO YOU HAVE YOUR SAY?

To make a submission:

- 1. Please read the information papers:
  - Skills in ANZSCO options Paper
  - ANZSCO Maintenance Strategy information paper

Both papers are linked under the *Related* heading of the ABS Consultation Hub *Overview* page.

2. A link is provided on the ABS Consultation Hub for each topic where you will be guided to provide feedback through a series of questions. You are not required to respond to every question, although your submission will be strengthened by your ability to answer as thoroughly as possible and by providing supporting evidence where possible. To help prepare your submission a copy of the survey questions is provided <a href="here">here</a>

The closing date for submissions is 26 July 2022.

#### 4 WHAT GOES INTO YOUR SUBMISSION?

A link is provided on the ABS Consultation Hub <u>Overview</u> page for each topic where you will be asked the following series of questions. A copy is provided below for reference:

#### 4.1 SKILLS IN ANZSCO

- 1. Do you agree implementation of the six options will provide a contemporary representation of skill within ANZSCO?
  - Are there other areas of concern or proposed options you believe should be considered?
  - Should any of the six proposed options be modified or removed?
- 2. Do you have any suggestions regarding how to include micro-credentials and other training outside the AQF within ANZSCO? (Refer Section 3.2 of Skills in ANZSCO options paper)
  - What, if any, implications will implementation of the six proposed options create for your organisation?
- 3. Do you agree with the prioritisation of the six proposed options outlined in this paper? (Refer Section 4 of Skills in ANZSCO options paper)
  - If "no", please rank the six proposed options from most to least important and describe the criteria used for this ranking.
- 4. Do you consider implementation of any of the six proposed options more urgent?
  - If "yes", please rank the six proposed options from most to least urgent and describe the criteria used for this ranking.

#### 4.2 MAINTAINING ANZSCO

- 1. Do you have any concerns about the consultation process outlined in the ANZSCO Maintenance Strategy information paper, for example, with the frequency, mode or duration?
  - If yes, please outline your concerns.
- 2. Does the ANZSCO update model strike the right balance between timely updates to reflect the contemporary labour market and consistency over time to preserve time series data?
  - If not, please provide an explanation as to why and suggest an alternative model and its strengths.
- 3. Are there any significant factors missing from the prioritisation framework?
  - If yes, please provide details about the proposed additional factor(s) along with a justification for their inclusion in the framework.
- 4. Considering the frequency of minor and major updates described by the model, please describe any potential negative impacts:
  - Minor changes annually (including the creation of 6-digit occupations).

- Major changes every fifth year (including structural and classification-wide changes).
- 5. The ANZSCO Maintenance Strategy information paper proposes annual releases of updates to ANZSCO in the first quarter of every calendar year. Does this release timetable meet your needs regarding implementation of updates?
  - If not, please provide an explanation of why not and propose an alternative.
- 6. Are there any other components of the strategy on which you wish to provide feedback?
  - If yes, please summarise your additional comments.

If you would like more information or if you would like to talk through your issues to guide your submission, please email <a href="mailto:anzsco.maintenance@abs.gov.au">anzsco.maintenance@abs.gov.au</a>

#### 5 NEXT STEPS

The ABS will assess the submissions received from this consultation. The agreed position on how skills should be reflected in ANZSCO will be published later in 2022 and be implemented over time. This will include the intended timeline for implementation.

Public consultation and ongoing stakeholder engagement will continue to inform the future ANZSCO maintenance program scheduled to commence in 2025, following delivery of the comprehensive update in 2024.

#### **6 FREQUENTLY ASKED QUESTIONS**

#### 6.1 WHAT IS ANZSCO?

- ANZSCO provides a basis for the standardised collection, analysis and dissemination of occupation data for Australia and New Zealand.
- ANZSCO is a skill-based classification used to classify all occupations and jobs in the Australian and New Zealand labour markets.
- ANZSCO is intended to provide an integrated framework for storing, organising and reporting occupation-related information for a variety of purposes, such as matching job seekers to job vacancies and providing career information.
- For more information on ANZSCO please read How does ANZSCO work

#### 6.2 WHAT IS THE 2022 TARGETED UPDATE?

• The Australian Bureau of Statistics (ABS) has partnered with several Australian Government agencies to continue the work commenced in 2021 to update targeted areas of ANZSCO.

 The ANZSCO 2022, Australian Update will be released on the ABS website in November 2022. Refer <a href="here">here</a> for the complete list of occupations within scope and next steps for the 2022 update.

## 6.3 WHAT AGENCIES PARTNERED WITH THE ABS FOR THE TARGETED UPDATES?

- The ABS has partnered with five Australian government agencies to address some key priorities and better understand fast-changing elements of the Australian labour market.
- Partner agencies are the National Skills Commission (NSC), Department of Agriculture, Water and Environment (DAWE), Department of Education, Skills and Employment (DESE), Department of Industry, Science, Energy and Resources (DISER), and Department of Defence (ADF). These agencies have contributed a combination of operating budget and specialist expertise.
- At this time, Stats NZ have advised that they are unable to commit to the 2022 targeted update.

# 6.4 WILL THERE BE CHANGES TO SKILL LEVELS IN THE 2022 TARGETED UPDATE TO REFLECT LABOUR MARKET CHANGES?

- In ANZSCO, skill level is defined as a function of the range and complexity of the set of tasks performed in a particular occupation. The greater the range and complexity of the set of tasks, the greater the skill level of an occupation. Occupations are assigned a skill level number ranging from Skill Level 5 (least skilled) to Skill Level 1 (most skilled).
- Skill level is one of several factors used to form occupation groups. For example, all occupations with Skill Level 1 are assigned to Major Groups 1 or 2. All occupations with Skill Level 3 are assigned to Major Groups 3, 4, 5, and 6.
- Most updates to skill level in the 2021 targeted update preserved stability at the highest level of the classification. Conversely, "updating" an occupation from Skill Level 3 to Skill Level 1 requires the occupation to "move" across Major Groups. This does not preserve stability at the highest level of the classification.
- Changes to skill level that preserve stability at the highest level of the classification will be considered in the 2022 targeted update.