



# Joint ACOSS, ACTU and BCA Policy Statement

## Full employment and the Jobs and Skills Summit

29 August 2022

Having endured a pandemic, a recession, and the harsh early impacts of climate change, Australia faces fresh challenges: a sudden rise of inflation; severe labour and skills shortages in some regions and some sectors; and the risk of recession in major trading partners.

The silver lining in all of this is the way we've worked together with governments to keep people employed and cushion them from income losses, averting a longer and more severe recession like those of the 1980s and 1990s.

As a result, more people are employed than ever and unemployment is lower than it's been for almost 50 years. This is an achievement worth celebrating, but there are still too many people unemployed or blocked from fully participating in the labour market.

In our view, achieving and sustaining full employment should be a guiding framework of the Summit and Employment White Paper and we acknowledge the government has made this a priority.

Full employment is not guaranteed. There are major challenges ahead, including decarbonisation of the economy and the risk that sharply higher interest rates could result in slow growth in the economy and increased mortgage stress.

Unemployment is low now, but that will only be sustained if we diversify our industry base, have a more productive economy and support innovation and ingenuity.

We need to get real wages and other incomes, including Jobseeker and related income support payments, growing again.

Full employment is important because at its heart it means that people can obtain the jobs and paid working hours they need, the quality and security of jobs and real income levels are improving, productivity is improving, the benefits are shared, and groups aren't left behind.

As well as harming those directly affected - some for many years - high levels of unemployment and under-employment waste resources and put a brake on consumer demand, investment, and improvements in living standards. We should reverse the decline in real wages and do what we can to avoid returning to the low level of incomes growth and investment in Australia in the years before the pandemic. Lifting productivity and incomes is essential for achieving this. Having demonstrated during the pandemic that we can save jobs, reduce poverty, and reduce unemployment; we can now do better.

We have agreed to put forward the following reform proposals for consideration as part of a wider full employment strategy by governments working in partnership with business, unions and civil society.

The following are agreed steps that we believe would make a difference. Each of our organisations will advance more detailed proposals in our own right, or with others. We look forward to participating in the Jobs and Skills Summit and White Paper processes in a spirit of openness and cooperation and to hearing the views of others.

We support the following **pathways for reform**:

1. **Contain inflation in the price of goods and services** to avoid excessive reliance on higher interest rates or tighter fiscal policy, including by:
  - *Increasing the supply of social, public and affordable housing*, and implementing urban planning reforms to increase the supply of homes and reducing upward pressure on rents;
  - *Diversifying and removing friction in supply chains* to reduce reliance on single providers vulnerable to unexpected supply shocks and price surges, and supporting local industry and jobs; and
  - *Assisting with flood mitigation* to reduce unexpected spikes in food prices.
  
2. **Improve productivity and sustainable growth in real wages and other incomes**, to build a platform for future prosperity, including through:
  - *More secure, safer, and better jobs with higher wages and better living standards because organisations are more successful*;
  - *Industry policy that drives investment and innovation*;
  - *A strategic approach to diversifying our economy, including sovereign capabilities*;
  - *Increasing Australia's international competitiveness*
  - *Accelerating the transition to renewable sources of energy*; and
  - *Strengthening the role of Infrastructure Australia* in planning future public investment and assessing the cost effectiveness of projects considered by government.
  
3. **Reduce inequities and barriers to participation in the labour market** that lower workforce participation, fail to make use of people's skills and talents and contribute to labour shortages, including by:
  - *A shared commitment to reduce long-term unemployment* through investment in programs that make a difference, including demand-led approaches in which people are trained on the job for positions employers need to fill, accredited training that is linked to current and emerging workforce needs (such as aged care workers), career guidance, and/or assistance with health and social barriers to employment;

- *Reforming employment services* to provide wrap around support and continuity of programs for those at a disadvantage;
  - *Together with these reforms of employment services, an increase in Jobseeker and related income support payments* that brings it much closer to pension level (noting that ACOSS and ACTU seek an increase to pension level);
  - *Universal high-quality childcare* delivered by a workforce that has secure employment and pay that recognises the value of their work.
  - *Reducing the gender pay gap and tackling all forms of discrimination and harassment in the workplace;*
  - *Guaranteeing appropriately funded access to foundational skills training* in language, literacy, numeracy and digital capability, including for people who missed out at school or need to catch-up later in life.
4. **Invest in workforce and skills development** that helps people build careers, eases skills shortages and lifts productivity, including by:
- *Establishing robust workforce planning systems* (national, industry and regional) led by Jobs and Skills Australia to ease labour and skills shortages, meet emerging workforce needs and ensure that training resources are increased and used cost-effectively;
  - *Better collaboration between employers, unions, VET and universities;*
  - *Expansion of government support for apprenticeships and traineeships;*
  - *A well-managed and planned migration program* that shifts the focus of workforce-oriented immigration towards permanent skilled migration, and better regulation to prevent under-payment and mistreatment of people on temporary visas, especially in entry level jobs;
  - *Supporting First Nations-community-controlled services* to close the gap in health, education and living standards, including through First Nations-led workforce development programs.
5. **Build a more diverse and sustainable industry base**, to sustain future growth in jobs and incomes, including by:
- *A reset of industry policy* to drive the creation of high wage, high productivity jobs in a future-focussed and innovative economy, where government has a co-investment mindset rather than relying excessively on grants to spur industry;
  - *Backing the development of secure and well supported jobs in quality care services* by improving standards for accredited training and staffing levels, and investing in sector-specific skills and training and pay levels that recognise the value of the work performed;

- *Establishing a National Energy Transition Authority* to support workers and communities, particularly regional communities, undergoing transition to a net zero emissions economy;
- *Strengthening fuel efficiency standards for motor vehicles;*
- *Support to improve energy efficiency in low-income homes* to cut emissions and energy bills and create local jobs.