**ACOSS Jobs and Training Summit policy framework (first draft)**

8 August 2022

This is an outline of policy directions and options for ACOSS to take to the Jobs and Skills Summit and raise in our submission to the subsequent Employment White Paper.[[1]](#footnote-1) It draws on relevant ACOSS policies on employment, economic management, workforce planning, community services, housing, climate and energy and income support.

Its purpose is to:

* Inform members of ACOSS policies relevant to the Summit and pre-Summit roundtables;
* Seek feedback from members on the policy directions we take to the Summit;
* Share with other peak bodies to identify common ground and scope for collaboration.

We propose to release a position paper based on these policies in advance of the Summit on 1-2 September.

This outline is structured according to the five main policy Streams that we understand will be discussed at the Summit. It provides a high-level policy overview rather than detailed policy options.

**Make full employment the overarching goal of the Summit and Employment White Paper**

The main purpose of the Summit is to bring government and community representatives together to work out how we can restore full employment.

This has a different meaning today to the early 1970s. Now it is as much about adequate, regular hours of employment and steady growth in real incomes as keeping unemployment low, and providing access to paid jobs to everyone who needs or wants them.

At its heart it means that people seeking employment or more paid hours can find them, and the pay and the quality of those jobs improves so that the fruits of economic growth are more fairly shared and no one is left behind.

Once we commit to full employment, a range of policy implications follow. Some are needed to achieve and sustain full employment. Others are needed to ensure that the benefits of full employment are realised. We put forward the following high-level policy proposals.

1. **Macroeconomic policy to grow employment and incomes**
* **Move away from past Budget and interest rate policies that kept unemployment high to curb inflation. Instead, pursue alternative strategies to contain inflation** including easing supply bottlenecks, boosting the supply of social and affordable housing, energy market reform, investment in household energy efficiency, more competition in concentrated markets, cooperation between business, unions, civil society and government to ensure steady and predictable growth in wages and income support, and curbing counter-productive speculation in assets such as housing.
* **Strengthen productivity** through strategic public investment, encouragement of productive private investment, and by improving the capabilities and health of the workforce.
1. **Workforce participation**
* To **ease labour and skills shortages,** introduce strategic workforce planning at national, industry and regional levels, lift paid workforce participation, reduce long-term unemployment and under-employment, ease barriers to worker mobility (including transport and housing) and take a strategic approach to migration, giving priority to permanent skilled migration and avoiding over-reliance on temporary visas to fill entry level jobs.
* A shared commitment to **reduce long-term unemployment** (including among older workers, people with disability, parents, and First Nations communities) through better-quality employment services that work with employers to encourage and support them to employ people they haven’t previously considered, tackling discrimination, improved access to quality training linked to emerging employment opportunities, and by establishing regional employment development networks.
* **Adequate income support** for people of working age that enables people to cover the basics and search for employment where that is a viable option for them, starting with an **increase in Jobseeker and related payments from $46 to $70 a day**.
* **Move away from the punitive and profoundly harmful approach to employment assistance for people on income support** that assumes people are unemployed through a lack of motivation and requires them to join programs such as Work for the Dole that don’t help them secure employment, towards practical help to connect people with the right job and training suited to their individual circumstances. Employment participation policies should be fair and not onerous or punitive, and should take proper account of people’s caring roles and barriers to employment.
1. **Skills and migration**
* Effective **workforce planning** systems (national, industry and regional) to ease labour and skills shortages, meet emerging workforce needs, and ensure that training resources are used cost-effectively.
* This should be backed by **career guidance and support** to assist people navigate a changing labour market and **substantial investment in vocational training and foundation education** that is accessible for people with low incomes and barriers to employment, and responsive to the needs of workers and employers.
* **Strategic migration policies** should give priority to skilled and permanent migration, together with well-regulated temporary migration arrangements to meet workforce needs that cannot realistically be met within Australia.
* The **temporary migrant workforce for entry-level jobs** (such as workers with student, backpacker, and Pacific Australia Labour Mobility program visas in agriculture, hospitality, retail and care services) should not be restored to previous levels without first ensuring that the widespread underpayment and exploitation of those workers is stopped.
1. **Wages and job security**
* Restore **sustainable growth in real wages** by lifting productivity, restoring the links between productivity and pay, and strengthening enterprise bargaining.
* **Lift minimum wages** to a level that (together with social security payments) enables people in paid employment to achieve a decent standard of living.
* **Promote pay equity for women**, through workplace relations legislation and test cases that recognise the value of their skills, experience and qualifications, especially in caring roles traditionally undertaken by women.
* As far as possible, **employment and paid working hours should be regular and predictable** so that workers can meet current needs and plan for the future, and employers have the benefit of a committed workforce that is skilled for the job.
1. **Industry development**
* Recognise the **crucial contribution of the care economy/care services** to employment growth, to meet social needs, and to underpin paid workforce participation (especially by women who undertake most unpaid caring work).
* **Promote development of a robust care sector and ease chronic labour and skills shortages** by investing in sector-specific skills and training, lifting pay and improving job security, benchmarking public funding to the actual costs of quality care, supporting services to develop their core capacities (including the skills of their workforce) rather than merely funding ‘episodes of care’, and reducing reliance on for-profit service providers in favour of community-based services.
* Invest in **job-creating industries that reduce global warming and ease its impacts on people with the least resources**, including clean energy industries in regions reliant on fossil fuel production to ensure a just transition; retrofitting homes to improve energy efficiency; and community-based disaster resilience hubs to support people affected by fires, drought, floods and other disasters triggered by climate change.
* Promote development of a **community services sector that is responsive to community needs** and adequately funded to provide quality services, especially for people who are economically or socially vulnerable, through funding that meets the actual costs of quality services and fair and consistent indexation.
* **Support Aboriginal and Torres Strait Islander community-controlled services** to close the gap in health, education and living standards by removing funding shortfalls identified by the sector (including restoration of past Budget cuts) and supporting Indigenous-led workforce development programs.

**Make full employment the overarching goal of the Summit and White Paper**

As we understand it, the main purpose of the Summit is to bring government and community representatives together to work out how we can restore full employment.[[2]](#footnote-2)

This has a different meaning today to the early 1970s (the last time it’s widely agreed that we had full employment). Now it is as much about adequate, regular *hours* of employment and steady growth in real *incomes* as keeping *unemployment* low, and as much about jobs for women and the care economy as jobs for men and the production of goods.

At its heart it means that people seeking employment or more paid hours can find them, and the pay and the quality of those jobs improves so that the fruits of economic growth are more fairly shared and no one is left behind. We are not there yet - and in any event the point is to *sustain* full employment, but we are closer to this goal than we have been for decades.

We have not had full employment for the past 50 years because it was abandoned by governments to slow demand in the economy and curb inflation (then running at over 10% a year). In effect, decades of public policy deprived millions of people of employment and many more of the extra paid hours and job security they need, to keep inflation under control.

From the Global Financial Crisis in 2008 up to the pandemic in 2020 we had the opposite problem: sluggish growth in jobs, incomes, and prices. This is worth recalling as we deal with the latest burst of inflation.

*Consistently* low unemployment and underemployment (referred to as a ‘high pressure economy), together with the right mix of workforce development, workplace relations, income support and other policies, would bring the following benefits:

* Employers would be more likely to consider people presently excluded from paid employment, such as those unemployed long-term, older workers and people with disability;
* People would be more likely to get the paid working hours they need in more secure jobs;
* Real wages and income supports would be more likely to rise;
* Work practices would be more likely to accommodate caring roles, acknowledging the dual role of workers caring for children or other family members;
* Resources would be less likely to be wasted and investment likely to increase (because there is more consistent demand for goods and services), making us more prosperous; and
* That prosperity is likely to be more fairly shared with poverty more likely to decline.

Low unemployment and under-employment alone will not *guarantee* these outcomes – that requires reforms to income support, workplace relations and other policies discussed below - but *without it they are much less likely to be realised.*

**So we call on the government, business, unions and civil society to commit to full employment and to make this the core goal of the Summit**.

We advocate this because it will improve people’s lives and incomes – especially for those with the least - not because we believe paid employment is the only way to find purpose in life or contribute to society or because we see access to employment as the only solution to poverty and inequality in Australia. Many people contribute to society in other ways such as caring for family members and those contributions should be recognised and supported, and employment policy forms just part of a broader suite of policies needed to reduce poverty and inequality in Australia alongside income support, taxation, housing, community services among others.

People should be encouraged and supported to join the paid workforce because it will improve their living standards and those of the community, not because paid work is of value for its own sake regardless of the quality of the job and the challenges many people face to participate in the workforce. One of the reasons we advocate full employment is precisely to improve the quality of employment and access for people who are currently locked out.

Once we commit to full employment, a range of policy implications follow. Some are needed to achieve and sustain full employment. Others are needed to ensure that the above benefits are realised.

1. **Macroeconomic policy to grow employment and incomes**
* Sustain the economy at **full capacity** (while using environment resources responsibly) so that resources aren’t wasted and people seeking jobs and additional paid working hours can secure them:[[3]](#footnote-3)
* Above all, this requires a shift away from past policies to control inflation, that deliberately lifted interest rates and tightened public Budgets to prevent unemployment falling to a level at which full employment was possible.[[4]](#footnote-4)
* To reduce reliance on the blunt instruments of higher interest rates and Budget austerity to **contain inflation**, pursue alternative strategies such as:
- easing supply bottlenecks, for example in transport;
- boosting the supply of social and affordable housing;
- energy market reform and investment in household energy efficiency (especially for people with low incomes);
- more competition in concentrated markets (e.g……);
- cooperation between business, unions, civil society and government to ensure steady and predictable growth in wages and income support (see below);
- curbing counter-productive speculation in assets such as housing.
* To prevent and **ease labour and skills shortages**:
- introduce strategic workforce planning at national, industry and regional levels;
- lift paid workforce participation, reduce under-employment, reduce long-term unemployment, ease barriers to mobility (e.g. through investment in public transport and more affordable housing) and take a strategic approach to migration (see below).
* **Strengthen productivity** through strategic public investment (for example in transport and energy infrastructure), encouragement of productive private investment (for example by removing tax biases that favour speculative investment in property and use of fossil fuels), and by improving the capabilities and health of the workforce (for example, through modernisation of vocational training and investment in preventive health). Reforms to lift productivity are unlikely to ease inflation in the short-term, but they are key to lifting living standards over the longer term.
1. **Workforce participation**
* Identify the key **gaps in workforce participation** and the intensity of workforce participation (under-employment) and adopt policies and business practices to close them, including:
- access to quality, affordable **child care and family-friendly jobs** and support for parents to share care of children, to lift employment participation among carers of children and other family members (who are currently mainly women);
- investment in **affordable housing and transport** policies to increase workforce mobility.
* **Move away from** **the punitive and profoundly harmful approach to employment assistance** for people on income support that assumes people are unemployed through lack of motivation and requires them to join programs such as Work for the Dole that don’t help them secure employment, towards practical help to connect people with the right job and training suited to their individual circumstances including caring responsibilities:
- Employment participation policies should be fair and not onerous or punitive, and should take proper account of people’s caring roles and barriers to employment.
* A shared commitment to reduce **long-term unemployment** (including among older workers, people with disability, parents, and First Nations communities) through:
- **better-quality employment services** that work with employers to encourage and support them to employ people they haven’t previously considered;
- tackling discrimination;
- better access to quality training linked to emerging employment opportunities;
- establishing networks for local cooperation to connect the right people to the right jobs and training opportunities (see below).
* **Adequate income support** for people of working age that enables people to cover the basics and search for employment where that is a viable option for them, starting with an increase in Jobseeker and related payments from $46 to $70 a day.
1. **Skills and migration**
* Establish effective **workforce planning** systems (national, industry and regional) to ease labour and skills shortages, meet emerging workforce needs, and ensure that training resources are used cost-effectively:
- The Local Jobs Program should be strengthened to forge **local employment development networks** of employers, unions, employment and training services and community services that work together to meet emerging workforce needs and connect people to the right jobs and training opportunities.
* **Career guidance and support** to assist people, especially those with limited formal education, to navigate a changing labour market.
* **Substantial investment in vocational training and foundation education** that is accessible for people with low incomes and barriers to employment, and responsive to the needs of workers and employers:
- strengthen core funding for public and community-based training providers, to provide services free of charge for those most disadvantaged in the labour market;
- remove barriers to education and training in the income support system such as lower payments for fulltime adult students (Austudy and Abstudy payments) and the ‘work first’ approach that requires people to accept the first available job rather than train to secure the right one.
* Strategic **migration** policies that give priority to skilled and permanent migration, together with well-regulated temporary migration arrangements to meet workforce needs that cannot realistically be met within Australia:
- The **temporary migrant workforce for entry-level jobs** (including workers with student and backpacker visas or in the Pacific Australia Labour Mobility program employed in agriculture, hospitality, retail and care services) should not be restored to previous levels without first tightening regulation of their employment and improving access to supports such as accommodation in regional areas and union representation to curb widespread exploitation and underpayment. This is vital to ensure that we don’t return to the widespread practices of exploitation and underpayment of those workers.
- Improve access to **foundation education (including English language courses) for migrants** seeking employment or to progress their careers;
- Streamline the recognition of overseas qualifications and access to training to meet Australian licensing and accreditation requirements.
* Support and properly fund the development of **care services** to meet fast-growing community needs and offer jobs that people want to take and want to keep:
- Commit to substantial increases in minimum pay for care workers and equity in pay, status and conditions of employment for women engaged in caring work, and public funding that allows this to happen;
- Promote a shift from precarious ‘gig economy’ forms of employment towards jobs that offer decent pay and adequate, regular paid working hours;
- Develop standards for accredited training and staffing levels to underpin good quality care;
- In addition to the above measures (that should reduce *turnover* of care workers), invest in education and training to increase the supply of qualified staff to meet growing workforce needs.
1. **Wages and job security**
* Restore **sustainable** **growth in real wages** by lifting productivity, restoring the links between productivity and pay, and strengthening enterprise bargaining.
* **Lift minimum wages** to a level that (together with social security payments) enables people in paid employment to achieve a decent standard of living.
* **Promote pay equity for women,** through workplace relations legislation and test cases that recognise the value of their skills, experience and qualifications, especially in female dominated care sectors:
- Reform the taxation of superannuation to reduce the gender gap in retirement benefits.
* As far as possible, employment and paid working hours should be **regular and predictable** so that workers can meet their current needs and plan for the future, and employers have a committed workforce that is skilled for the job:
- Discourage ‘permanent casual’ employment by giving long-standing casual employees a real choice to convert to regular employment with rights to paid leave and other entitlements.
1. **Industry development**
* As well as providing most of the growth in future employment, expansion of the **care economy/care services** meets social needs and underpins paid workforce participation, (especially by women, who undertake most unpaid caring work) so that jobs and living standards can grow.
* The development of quality care services is hampered by **chronic labour and skill shortages** that are endemic to this sector (not confined to periods of low unemployment). The poor quality of many jobs and services, and high turnover of care workers, are vestiges of a labour market and a society in which the paid and unpaid care provided by women is undervalued and sectors that did not ‘make things’ are not regarded as ‘true’ industries.
* **Promote development of a robust care sector** with good quality services and decent jobs by:
- investing in sector-specific skills and training;
- lifting pay and improving job security through the workplace relations reforms proposed above;
- benchmarking public funding to the actual costs of providing quality care;
- supporting services to develop their core capacities (including the skills of their workforce) rather than merely funding ‘episodes of care’;
- reducing reliance on for-profit service providers in favour of community-based services.
* Ensure a robust **community services sector** that is responsive to community needs and adequately funded to provide quality services, especially for people who are economically or socially vulnerable through:
- funding tied to the actual costs of quality services;
- fair and consistent indexation;
- working with the sector to forge workforce development plans to overcome labour and skills shortages.
* Invest in **job-creating industries that reduce global warming and ease its impacts on people with the least resources**, including clean energy industries in regions reliant on fossil fuel production to ensure a just transition; retrofitting the homes of people with low incomes to improve energy efficiency; and community-based disaster resilience hubs to support people affected by fires, drought, floods and other disasters triggered by climate change:
- provide paid employment and training opportunities for local people who are unemployed in these emerging sectors.
* **Support Aboriginal and Torres Strait Islander community-controlled services** to close the gap in health, education and living standards by:
- identifying and removing funding shortfalls identified by the sector (including restoration of past Budget cuts);
- supporting First Nations-led workforce development programs.
1. We have also prepared a [short guide](https://www.acoss.org.au/wp-content/uploads/2022/08/Member-briefing-jobs-summit5Aug-1.pdf) to what we know of the Summit and pre-Summit processes at this stage, [↑](#footnote-ref-1)
2. Similar initiatives in the past include the Curtin government’s Full Employment White Paper (1944) that ushered in 30 years of unemployment below 3%; the Hawke government’s National Economic Summit (1983) that aimed to restore full employment after a deep recession; and the Keating government’s Employment White Paper (1993) which shared that goal, in addition to reducing long-term unemployment. [↑](#footnote-ref-2)
3. Growth in jobs and incomes need not be environmentally harmful. For example, the share of employment in services is growing as the nation becomes wealthier and services use less environmental resources. As we transition to cleaner energy, environmental harms associated with goods-producing industries are reduced. [↑](#footnote-ref-3)
4. Until recently, it was believed that the level of unemployment at which inflation would accelerate was between 5-6%. In view of sluggish growth in wages since the GFC, the Reserve Bank and governments have revised that view and many question whether such a ‘minimum level’ of unemployment can be identified. [↑](#footnote-ref-4)