

# **Kim Beazley's Plan for Employment and Training**

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## Overview

*Australia is in a jobs crisis. The collapse of large companies such as Ansett, HIH, One.Tel, and Daimaru Australia as well as mass sackings at Optus, the Australian Tax Office, South Pacific Tyres and Coles-Myer, to name a few, have devastated tens of thousands of working Australians and their families.*

*Last month alone almost 50,000 jobs were lost in Australia, and this figure does not even include most of the recent job losses from these companies.*

*This jobs crisis is due to the job destroying effects of the GST. Since the GST was introduced there has been a 0.6 percentage point rise in the unemployment rate and the number of unemployed people has risen by 66,000.*

*There are currently 658,000 Australians without any job at all and 677,000 additional Australians who worked part time but wanted more hours. In addition there are 1,159,000 Australians who are counted as 'not in the labour force' but who according to the Australian Bureau of Statistics would like to have a job.*

***This means that two and a half million Australians aren't getting the financial or social stability that comes with having enough work - that's over 20% of the workforce.***

*John Howard won't fight for Australian jobs. His economic rationalist beliefs say that the Government should just sit back and watch the job losses roll on.*

*Labor will fight Australia's corner for jobs.*

*We can create jobs for those who need them if we put the full weight of government, business, unions, community and individuals into implementing innovative and far reaching policies.*

*John Howard's response will be predictable. He will say it can't be done. He will say Government shouldn't be involved.*

*He is wrong. These are all excuses for a man out of ideas, and unwilling to fight for jobs. They are the excuses of a man who won't see there is a problem.*

## The Howard Government's Failures

### A JOBS-DESTROYING GST

John Howard deceived the Australian people when he said that there would be no job losses as a result of the GST. In September 1998, Mr Howard was asked by a journalist whether there would be any job losses as a result of the introduction of the GST, as this had been predicted by economists.

Mr Howard responded by saying:

*I don't believe there will be any, no I don't.*

The truth is that as a direct result of the GST, tens of thousands of jobs have been lost across Australia. In fact, since the GST was introduced there has been:

- A **fall** in the number of **full time** employed people of 33,900;
- A **fall** in full time **male jobs** of 42,700;
- A **rise** in the **unemployment** rate of 0.6 percentage points;
- A **rise** in the number of **unemployed** of 66,100;
- A **drop** in the **growth rate** in jobs to 0.3 percent, after peaking at 3.7 per cent in July 2000 just as the GST was introduced; and
- A **rise** in **youth unemployment** from 20.8 percent to 25.4 percent.

These GST job losses came about because many businesses simply could not cope with the massive paperwork burden imposed on them. These costs which were estimated at \$12,000 per small business<sup>1</sup> is why bankruptcies are up 30 percent in the past year.<sup>2</sup>

### JOB INSECURITY

The above statistics paint the picture of the damage John Howard has done to Australian jobs. Just as concerning for average Australian workers has been the succession of large-scale corporate failures and mass job losses in recent months. No worker can feel secure in his or her job when well-known large companies collapse like Ansett and HIH; or lay off thousands of workers like Coles-Myer and others.

The human face of John Howard's job-destroying policies can be seen in recent large-scale redundancies this year alone, such as those summarised on the following page.

<sup>1</sup> Victoria University Small Business research unit

<sup>2</sup> Insolvency and Trustee Service

Company	Job losses	Announcement
Ansett	16,000	September 2001
Australian Taxation Office	2,300	August 2001
Qantas	1,500	February 2001
One.Tel	1,400	May 2001
HIH Insurance	1,000	March 2001
Coles-Myer	1,000	September 2001
Daimaru	1,000	September 2001
South Pacific Tyres	900	September 2001
Optus	700	October 2001
Arnotts	600	May 2001
Ford Australia	300	March 2001
Impulse Airlines	200	May 2001
Austrim Nylex	150	April 2001
Primus Telecom	128	July 2001
Unilever	120	August 2001

#### **OUTSOURCING FIASCO OF ASSISTANCE FOR THE UNEMPLOYED**

Assistance for the unemployed was outsourced under the Howard Government and money previously spent on training for the unemployed was cut to virtually nothing. Under the new Job Network system, the Government refused to put in place any monitoring of what the private and other companies in the Job Network were doing with the money given to them. As a direct result of this, several unscrupulous practices emerged, and the Government simply looked the other way.

It was only when Labor uncovered the fact that the Job Network was claiming money for creating 'phantom jobs' that didn't really exist, that the Government was forced to admit that there was a significant problem and to ask some providers to pay back money wrongly obtained. It later emerged that the Government had known in detail for a number of months that the scams had been going on, but had attempted to cover them up to avoid negative publicity.

The people who suffered the most as a result of these unscrupulous practices were the unemployed. As a result of the uncovering of the 'phantom jobs' scandal, the true performance of the Job Network has shown to be much lower than originally claimed by the Government and the amount of training available for the unemployed is still basically non-existent.

In addition the Government's own reports into the Job Network state that it is failing to assist disadvantaged job seekers such as the long term unemployed, Indigenous Australians and the mature aged.

**BLAME THE VICTIM**

Having caused so much anguish through its own policies, the Howard Government has been quick to try and shift the blame. Employment Minister Tony Abbott has simply stepped up his rhetoric, blaming the unemployed for unemployment; the poor for poverty; charities for disadvantage; and Australians generally for a lack of gratitude to the Howard Government. Australians need only look to the figures to see how successful Mr Abbott's strategy is: since he became Employment Minister, unemployment has risen by half a percentage point, from 6.3 percent in January to 6.7 percent today. Clearly, it is time for a new approach. This is what Labor's positive new initiatives offer.

## Kim Beazley's Plan for Employment and Training

Labor believes that unemployment and underemployment are at the heart of a number of Australia's other problems. Those without adequate work can suffer from a higher incidence of many personal difficulties including homelessness, depression and family breakdown.

This is why Labor wants to change the way we as a society deal with unemployment from that of 'a necessary evil that will always be with us', to a problem that *can* be solved if we put the full weight of government, business, unions, community and individuals into implementing innovative and far reaching policies.

### KNOWLEDGE NATION APPRENTICESHIPS

Labor will invest \$105 million over five years to create 35,000 additional high-skill paraprofessional apprenticeships. This is an extra 35,000 Australians who will have a job that also comes with high quality training.

There are currently thousands of jobs in Australia that employers can't fill because they can't find people with the right skills. These employers will be able to take on the Knowledge Nation Apprentices and give them on and off the job training.

These additional Apprenticeship jobs will be targeted to occupations where there are skill shortages. These Apprenticeships will help to end the situation where we have tens of thousands of skilled job vacancies and tens of thousands of unemployed people who are turned away from training due to a lack of resources.

Drawing on Labor's Workforce 2010 study and Skilled Vacancy Surveys, priority areas for funding may include:

- Aged carers;
- Computing and IT jobs (especially multi-media developers), systems designers/analysts, computer engineers, IT managers, systems administrators and programmers);
- Health and related occupations (including, for example, aged care; dental care); and
- Education workers (including those other than professional teachers).

These additional Apprenticeships will be targeted to fill high skill jobs and will therefore be mainly at the paraprofessional level (Certificate 4 or higher). People with this level of qualification are second only to university graduates in terms of long term employability and income.

As an indication of Labor's strong commitment to this new stream of apprenticeships, a Federal Labor Government will contribute \$3,000 per para-professional apprentice place.

### GETTING SCHOOL LEAVERS INTO JOBS

Labor will invest \$75 million over five years to help approximately 200,000 more young Australians get a job when they leave school.

For young people without formal qualifications, leaving school and finding a job is harder than ever before. There are currently 6 unemployed people for every job. All too often, young Australians are failing to make the transition, and run the risk of having their working lives blighted before they even begin. Investing at this crucial juncture can avoid much greater problems down the track.

Labor's increased investment in the Jobs Pathways Program will enable every student to complete school with a significant boost into the workforce.

There are many paths for young people to follow - university, training (including TAFE, apprenticeships and traineeships) and a job. Labor will ensure that every student gets the right amount of advice and assistance. It's the best way to tackle the high unemployment rate among school leavers.

Labor began the Job Pathways Program and by radically expanding it more students will have access to this program that targets students 'at risk' of becoming unemployed and/or leaving school early.

These students are provided with counselling as well as access to a training or work experience program in local industry. Best practice models for undertaking the JPP program will be encouraged under the contracts that are allocated, and Labor will ensure that services are not duplicated with those operating at the State level.

Only around 20 per cent of 15 to 19 year old high school students currently have access to this program that was piloted under Labor.

Labor will also give certainty of funding to the Jobs Pathways Program by extending the length of contracts from the current seven months to two years. This will allow career advisers to pay salaries and invest for the long-term, rather than worry about whether or not they will receive funding in a few months time.

### **REAL RESULTS FROM WORK FOR THE DOLE**

Labor is committed to retaining Work for the Dole.

However, Labor believes that Work for the Dole should be refocussed with \$41 million in extra funding over five years to have as its main goal getting the unemployed into a real job with real training.

Our proposal will put an extra rung on the ladder between Work for the Dole and a paid Apprenticeship. It does so by creating 41,000 additional financial incentives of \$1,000 each, and making them available to the Community Work Coordinators who currently manage Work for the Dole projects and participants.

Community Work Coordinators will then use these extra incentives to attract local employers to put on their participants as apprentices in an appropriate area.

The \$1,000 will be paid over and above existing incentives available under the existing Apprenticeship program.

This initiative will allow Work for the Dole participants to use Work for the Dole as a springboard to an apprenticeship and thus a real job with accredited training out of their Work for the Dole obligation.

### **PARTNERSHIPS FOR JOBS**

Labor's new wage subsidies program will invest \$60 million over five years in allowing at least 17,000 long-term unemployed people to use their unemployment benefits as a wage subsidy.

It is a waste of money to be paying someone money to be unemployed when that same money could be used to create a new job for the person to do. Giving the unemployed long-term experience in a job will allow them to build the work skills needed to keep working and not fall back into unemployment.

Long term unemployed people have little prospect of employment without direct assistance. This may be due to a low level of workplace skills or due to other factors that place them at a disadvantage such as being mature age, Indigenous, long term unemployed or having been out of the workforce as a carer for some length of time. These will be the type of people to benefit from this job creation program.

Labor does not believe it is acceptable to leave these people on the scrap heap as the Howard Government has done.

Under Labor's program, selected unemployed people would be provided with a card that they could take along to job interviews. This card would show the prospective employer that their employment attracts a subsidy payable at the end of a specified time period, operating in the same manner as the Government's current indigenous wage subsidy scheme.

The scheme will be carefully monitored to ensure no arrangements breach the spirit of the program.

### **HELPING THE MATURE AGE UNEMPLOYED**

Labor will invest \$8 million over two years in providing incentives under the Job Network to give jobs and workplace skills to 8,000 unemployed mature age job seekers.

The mature aged unemployed frequently require specialised assistance, and are not receiving the long term intensive assistance that they deserve.

Upon coming into government, Labor will therefore establish a series of pilot schemes for a new level of assistance to mature age job seekers.

Funding per place will be based on giving existing Job Network providers an additional \$1,000 above the current interim outcome payment for their Mature Age Intensive Assistance clients. At this funding level, the pilots will be able to assist up to 8,000 mature age jobseekers nationally.

Labor will review the pilots after 12 months operation and expand if successful.

## **COMMUNITY JOBS**

Labor will create an innovative new community jobs program employing 860 people in regions of high unemployment. These community jobs programs will back energetic people in local communities with ideas for solving local unemployment problems and giving the unemployed practical work experience skills.

Labor will provide \$10 million over two years in pilot funding to give financial backing for social entrepreneurs in local communities to get up valuable community projects, and provide unemployed Australians with much needed employment opportunities and on the job skills.

These individuals would utilise their local knowledge to work with the community to identify the highest priority local projects that would not otherwise go ahead. They would enlist the support of businesses, community leaders and local government to ensure that the projects are carried out.

The ultimate goal of these community enterprises would be to develop into fully fledged businesses capable of employing the participants without the need for Government assistance. In this respect this proposal is similar to the New Enterprise Incentive Scheme, except at the community level.

This scheme would be available to 20 areas of high unemployment across Australia in each year of its operation.

Each social entrepreneur's group would have access to a draw down fund of \$40,000 for the establishment costs of the community business. Each community business would, employ for wages 20 unemployed individuals.

## **WORKFORCE 2010**

Labor's Workforce 2010 policies, listed below, are an essential part of our preventative strategy to combat unemployment. These policies will help a Labor Government identify those at risk before they become unemployed, and help plan our national skills effort to ensure our young people capture the jobs of the future.

### **WORKFORCE 2010: NATIONAL JOBS COUNCIL**

Labor will create a National Jobs Council.

Labor's Jobs Council will map out where the jobs of the future will be and what skills will need to be given to our young people to fill these jobs.

The Jobs Council will have two main roles.

The first will be to bring together the best employment minds in the country from business, universities, unions and the general community, the Jobs Council can carefully plan a comprehensive response to Australia's jobs crisis, both now and into the future. The Government will work with the members of the Council to implement and build on Labor's proposed job and skill creation proposals to tackle Australia's jobs crisis.

The second will be to pull together the Department's forecasting expertise into a single unit as well as establishing links with independent labour market

researchers. Its job will be not only to produce the landmark studies like Workforce 2010, but also to drill down to produce forecasts of job availability by region and by industry sector. The Council will also have the capacity to respond to requests for detailed studies, be they from other government departments; other levels of government; or regional bodies where appropriate.

The information that the Council establishes will be updated regularly and reports published periodically. The Council will be responsible for disseminating this information. Its reports will be an important resource for other government departments – especially education and training – and will be a key input into the policy making process. The Council will also be responsible for making its reports available to, and accessible for, schools, parents and students.

One of Labor's first acts upon being elected to office will be to call together the Jobs Council to begin the task of tackling the jobs crisis and getting Australians working again.

#### **WORKFORCE 2010: WORKFORCE SKILLS PROFILES**

Labor will build in partnership with willing employers a confidential database of the skill needs of individual workers by region and by industry to guide the government's provision of training and employment services. This will commence as a pilot program in 2002, and be rolled out subject to a successful review.

The National Jobs Council will highlight industries or regions that are at risk of low future employment growth. These industries will be targeted by the National Workforce Skills Profiling process. The aim of the profiles will be to enable early intervention by government and/or private providers in addressing skills deficits *before* workers become unemployed. It will, for the first time, bring a genuine preventative approach to the unemployment problem in Australia.

Labor will run this profiling process firstly as a pilot program in six regions of especially high unemployment (one in each State) in cooperation with Area Consultative Committees. The pilot program will commence in 2002-3, once the relevant data is available from the National Workforce Council. It will be reviewed after two years of operation, and, if successful, rolled out across Australia.

#### **WORKFORCE 2010: EARLY INTERVENTION FOR AT-RISK WORKERS**

A Labor government will provide access via the Job Network to outplacement services for at-risk workers identified by the Workforce Skills Profiling process, where existing spare contracted capacity is available under the Job Network. Once the skills profiling process has established which workers are most 'at-risk' of unemployment, the next step is to target affected individuals for tailored early assistance.

Labour market research shows, and commonsense suggests, that it is easier to find work for a person while they are still employed, rather than waiting until they have lost their job. Job Network providers have indicated an interest in offering outplacement services in the past.

Labor will bring these elements together by giving approved workers access to Job Network providers offering outplacement services. Access will only be available – at least initially – where Job Network providers have existing spare contracted capacity.

Eligibility assessment and offer of service will be undertaken on a confidential and, of course, voluntary, basis, with the employer's approval being a prerequisite.

#### **JOB NETWORK MONITORING AUTHORITY**

Labor believes the Job Network should be getting more people into jobs. The Job Network Monitoring Authority will be tasked to ensure that all Job Network agencies are concentrating on giving the unemployed the training they need to get a job.

This Authority is needed because Labor, along with many in the community, have long been worried about the lack of long term quality training being provided for the unemployed under the Job Network.

Labor is also concerned about the lack of transparency in the Government's operation of the Job Network. We have seen this secrecy hurt jobseekers, most troublingly during the recent "Phantom Jobs" scandal. Labor believes there simply must be independent scrutiny over the expenditure of more than \$1 billion of taxpayers' funds each year.

This is why Labor will spend \$6 million over five years establishing and running a Job Network Monitoring Authority (JNMA). The JNMA would provide independent and transparent information about the performance of the Job Network and its member organisations. This information would be made available publicly and would help to shape Government policy by identifying shortcomings.

This Authority will also be responsible for investigating and managing complaints about the Job Network.

#### **QUALITY TRAINING**

For Australia to give people the skills they need to take up new job opportunities and to fill skilled job vacancies, they need to have the highest possible quality of training.

Unfortunately the Senate Employment Workplace Relations, Small Business and Education Committee identified a number of quality and competency problems in Australia's Vocational Education and Training system.

To address this Labor will implement the recommendation of the Senate Report and establish a truly national quality framework.

Labor will establish a National Vocational Education and Training Quality Board to administer a national quality framework from within the Australian National Training Authority. Portability of skills, national accreditation and national consistency will be its priorities.

It will work closely with the States and Territories to establish a truly National VET sector so that high-quality qualifications are recognised across Australia.

### **MEASURING THE 'TRUE' UNEMPLOYMENT RATE**

Planning for job and skill creation also involves knowing the true extent of the unemployment and underemployment problem. This is why Labor will collect better information about the 'true' unemployment rate.

There has been a great deal of debate in Australia about the extent of hidden unemployment and underemployment. Whilst official jobless figures show 658,000 Australians are unemployed, other much higher estimates have been made by organisations such as Roy Morgan Research and academics such as Professor Peter Brain.

While there is some data available from the ABS on hidden unemployment and underemployment Labor believes we need to do a much better job of measuring the 'true' unemployment rate.

For this reason Labor will liaise with the ABS so as to find out *how much* extra work the unemployed, the underemployed and those counted as 'not in the labour force' but who would like a job would really like to do.

Labor will also find out how much overwork people do by finding out what reduction, if any, those already in work would desire.

This way, Australia will for the first time in its history have a measure of the extent of the mismatch between the amount of work available and the amount of work people want to do.

### **EXPERIENCE PAYS CAMPAIGN**

Labor believes there is a role for government in changing community attitudes to mature age workers.

Labor will undertake a public awareness-raising campaign aimed at increasing business as well as the broader community's understanding of the benefits of employing mature age workers.

As an initial step a mature age unit will be established in DEWRSB. Its responsibilities will be to look specifically at issues affecting older employed and unemployed workers.

This unit will also coordinate an 'experience pays' campaign.

## COSTING

	01-02	02-03	03-04	04-05	Total
Knowledge Nation Apprenticeships	10.0	10.0	15.0	35.0	70.0
School to work transition <sup>1</sup>	5.0	10.0	15.0	20.0	50.0
Real Results from Work for the Dole	5.0	9.0	9.0	9.0	32.0
Partnerships for Jobs	10.0	0.0	10.0	20.0	40.0
Helping the Mature-Age Unemployed	4.0	4.0	0.0	0.0	8.0
Community Jobs	5.0	5.0	0.0	0.0	10.0
Workforce 2010: National Jobs Council	0.0	0.0	0.0	0.0	0.0
Workforce 2010: Workforce Skills Profiles	0.0	0.0	0.0	0.0	0.0
Workforce 2010: Early Intervention for At-Risk Workers	0.0	0.0	0.0	0.0	0.0
Job Network Monitoring Authority	2.0	1.0	1.0	1.0	5.0
Quality Training	0.0	0.0	0.0	0.0	0.0
Measuring the 'true' unemployment rate	0.0	0.0	0.0	0.0	0.0
Experience pays campaign	0.0	0.0	0.0	0.0	0.0
<b>TOTAL (million) <sup>2</sup></b>	<b>41.0</b>	<b>39.0</b>	<b>50.0</b>	<b>85.0</b>	<b>215.0</b>

1. Policy announced in *Kim Beazley's Plan For Our Schools* 24 October 2001.
2. The costing table above figures reflects the full value of *Kim Beazley's Plan for Employment and Training*. The net impact on the Budget (\$m) is:

2001-02	2002-03	2003-04	2004-05	Total
36.0	29.0	35.0	65.0	165.0