



THE SENATE  
SENATE FINANCE AND PUBLIC ADMINISTRATION  
REFERENCES COMMITTEE

**Gender segregation in the workplace**  
**Public Hearing – Wednesday 26 April 2017**  
**Questions Taken on Notice – Department of Employment**

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**a) HANSARD, Page 62**

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**CHAIR:** When is the next report due?

**Dr Morehead:** I think there is a meeting coming up in May, where it will be discussed—'G20 labour and employment ministers will discuss progress towards the goal at their upcoming meeting in Germany on 18 and 19 May.'

**CHAIR:** Does that mean that the report will be made public at that time, or will it simply be submitted to the meeting? I am interested to understand how much of the detail in the report is publicly available.

**Dr Morehead:** I am sure that I can take that question on notice and get back to you, and not only that but also endeavour to provide you with an update after that meeting.

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**b) HANSARD, Page 63**

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**Senator KAKOSCHKE-MOORE:** Is any instruction or guidance given to jobactive providers about trying to avoid gender segregation?

**Dr Morehead:** I can take that on notice, because it is a good point. My understanding is that that is an area that is being explored, if there is not already explicit training. But I will have to take that on notice because I do not have the information here at hand.

**Senator KAKOSCHKE-MOORE:** If you could, I would be grateful. When WGEA was here earlier, we had a discussion about government procurement and businesses being issued with compliance letters and compliance letters being considered as part of the information a company could put forward in a tender for government work. You might take this on notice as well, but do any of the jobactive providers have to supply compliance letters as part of their—do they tender for these contracts?

**Dr Morehead:** Jobactive tender for the contracts, and so each time the contract comes up every few years then there is a big tender process and a system of rating them that is extremely complicated, in a way, because there are so many variables that are put to use in order to determine who wins those tenders.

**Senator KAKOSCHKE-MOORE:** Of those that put forward tenders during the last round, could you tell the committee—again, on notice if you need to look through your books to get information—how many had compliance letters?

**Dr Morehead:** Yes, I will do that.

**Senator KAKOSCHKE-MOORE:** Did those who were successful in obtaining contracts have compliance letters?

**Dr Morehead:** Yes, we are fairly sure that they do, but we will definitely check that and get the exact data back for you. On that the gender segregation question again, I mentioned in my opening statement that we are trialling some initiatives to try to put men who are falling out of the dying, manufacturing-style jobs that are very regionally specific into more female dominated jobs, and to get jobactive locally to think outside the box about what other relatively unskilled work there is to do that is not traditionally male. It is probably more happening in that way where we try, because

it is those older male unskilled jobs that are becoming very hard to replace within a specific geographic region.

**Question 1:**

**Does that mean that the report will be made public at that time, or will it simply be submitted to the meeting? I am interested to understand how much of the detail in the report is publicly available.**

Reporting on Australia's G20 employment commitments (including on women's workforce participation) is being prepared for the Leaders' Summit in early July. Australia's G20 Employment Plan is intended to be published at that time. Progress toward the G20 commitment will be reviewed by Labour and Employment Ministers at their meeting in May. Australia's 2014 and 2015 G20 Employment Plans are attached.

**Question 2:**

**Is any instruction or guidance given to jobactive providers about trying to avoid gender segregation?**

No specific instruction or guidance is given to jobactive providers about trying to avoid gender segregation. The jobactive Deed 2015-20, which is the governing contract for delivery of the jobactive program, requires that jobactive providers comply with the *Workplace Gender Equality Act 2012* (Cth) ('WGE Act') in carrying out their obligations under the Deed.

The requirements of the jobactive Deed give effect to a stipulation in the WGE Act and the Workplace Gender Equality Procurement Principles and User Guide, a procurement-connected policy under the Commonwealth Procurement Rules, that relevant employers failing to comply with their obligations under the WGE Act may not be eligible to compete for contracts under the Commonwealth procurement framework.

**You might take this on notice as well, but do any of the jobactive providers have to supply compliance letters as part of their—do they tender for these contracts?**

Tenderers are required to indicate in the tender response whether or not the organisation is a 'relevant employer' for the purposes of the WGE Act. If a tenderer is a relevant employer, it must provide a current letter of compliance as part of its tender submission, or within 18 months of the Deed Commencement Date, and following this, annually to the Department.

**Of those that put forward tenders during the last round, could you tell the committee—again, on notice if you need to look through your books to get information—how many had compliance letters? Did those who were successful in obtaining contracts have compliance letters?**

In the last round of tenders, 31 of the 261 tender submissions for jobactive services provided a current notice of compliance or letter of compliance for tendering purposes. Of the 66 tenderers that were successful and subsequently entered into the Deed, 19 had a compliance letter at the point of entering into the Deed. As aforementioned, whilst a provider may provide a letter of compliance at the point of tendering a submission, it is only obligated to do so within 18 months of entering into the Deed. The Department is checking the status of the remaining 47 tenderers and will inform the Committee in due course.

# EMPLOYMENT PLAN 2014

AUSTRALIA



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*The new Australian Government has embarked on a comprehensive Economic Action Strategy to create one million new jobs over the next five years, restore the structural integrity of government finances, and support continued improvements in national living standards. Measures outlined in Australia's Employment Plan will facilitate job creation, lift labour force participation and better match skills with jobs.*

## 1. Employment and labour market outlook

The Australian economy is in the midst of a major transformation, moving from growth led by investment in resources projects to broader-based drivers of activity in non-resources sectors. This is occurring at a time when the economy has generally been growing below its trend rate and the unemployment rate has been rising. Unemployment was 1.4 percentage points higher in 2013 than in 2008, and the proportion of long-term unemployed has also increased (see Table 1).

The labour market has been subdued since late 2011, characterised by soft employment growth, a falling participation rate and a rising unemployment rate. This underlines the importance of delivering on the G20's commitment to raise economic growth and pursue employment-enhancing strategies.

The economy is forecast to grow at a rate of 2½ per cent in 2014-15, before accelerating to growth of 3 per cent in 2015-16. The household sector is responding to historically low interest rates and the exchange rate is supporting rebalancing of the economy.

The Australian economy is also facing considerable challenges over the medium to longer term. For instance, the rising proportion of older Australians may lead to lower labour force participation, reducing the tax base and placing an added expenditure burden on the budget.

	Real GDP growth		GDP per capita (USD terms)		Employment growth		Employment to population ratio	
Australia	2.5	2.4	\$36,231	\$37,721	2.8	1.0	62.7	61.3
G20 Median	1.4	1.9	25,339	26,243	1.1	0.9	57.7	57.1
	Unemployment rate		Incidence of long-term unemployment		Youth unemployment rate		Youth unemployment to population ratio	
Australia	4.2	5.7	14.9	19.2	9.0	11.8	6.2	8.2
G20 Median	6.3	6.1	24.1	31.0	n/a	n/a	6.9	7.8
	Participation rate		Female participation rate		Working age (15 to 64) participation rate			
Australia	65.5	64.9	58.6	58.7	76.5	76.4		
G20 Median	60.2	60.3	50.0	51.8	70.4	71.2		

Note: Percentage figures, except in the case of GDP per capita. Growth figures are percentage change on previous year unless otherwise indicated. Point-in-time data is for the 2008 or 2013 calendar years or June quarter 2008 and June quarter 2013. Data for the incidence of long-term unemployed are expressed as the percentage of all unemployed people. The time periods were selected on the basis of the availability of data and to ensure consistency across G20 employment plans.

Sources: Australian Bureau of Statistics; ILO and OECD calculations.

**Table 2: Key policy indicators, 2008 (LHS) and 2013 (RHS)**

	Minimum wage (% of average wage)		Gini coefficient <sup>i</sup>		School completion rate <sup>ii</sup>	
	Australia	45.0	44.0 <sup>iii</sup>	0.336	0.324	83.3
G20 Median	34.9	34.9	0.341	0.376	76.5	78.9
	Collective bargaining coverage		Year 12 or equivalent attainment (25 to 64)		Tertiary educational attainment (25 to 64) <sup>iv</sup>	
	Australia	39.8	42.0 <sup>v</sup>	69.9	76.4	36.1
G20 Median	n/a	28.8	69.8	74.2	n/a	n/a

Note: Percentage figures, except in the case of the Gini coefficient (a measure of income distribution ranging from 0, complete equality, to 1, complete inequality). Education data are for 2008 (LHS) and 2012 (RHS).

Sources: Australian Bureau of Statistics; ILO and OECD calculations.

**Table 3: Labour market forecasts for 2014-15<sup>vi</sup>**

Employment growth	Unemployment rate	Participation rate
1½ per cent	6¼ per cent	64½ per cent

Source: Australian Government, *Budget Strategy and Outlook: Budget Paper No. 1, 2014-15*.



## 2. Employment challenges for Australia<sup>vii</sup>

The Australian economy faces a significant period of structural change. While the economy came through the Global Financial Crisis in relatively good shape, employment growth has been soft in the subsequent years. Unemployment has been slowly rising, while the discouraged worker effect and population ageing has placed downward pressure on Australia's participation rate. The G20's commitment to lift growth is a key pathway to addressing these challenges.

### CHALLENGE: BOOSTING LABOUR FORCE PARTICIPATION

Population aging poses a challenge to many advanced countries, including Australia. The labour force participation rate for people aged 15 years and over is projected to fall to less than 61 per cent by 2049–50, compared with around 65 per cent today. This is expected to generate fiscal pressures through a smaller labour force and income tax base as well as increased demand for age-related payments and services. Improving workforce participation rates for groups with potential for higher participation is not only a pathway to boost Australia's productive capacity, but can improve equity and opportunity for all Australians.

For example, Australia has a gender gap in participation. In September 2013, the participation rate of women 25 to 34 years old was 16 percentage points below the rate for men 25 to 34 years old. Furthermore, Indigenous Australians, mature age Australians and people with a disability also have much lower participation rates than the general population.

### CHALLENGE: ADDRESSING LONG-TERM UNEMPLOYMENT

Earlier this century, Australia achieved a substantial decline in long-term unemployment, which reached a 20 year low in July 2008. The number of long-term unemployed has since more than doubled, from 65,000 to over 148,000 in September 2014. Just under 20 per cent of Australia's unemployed have now been jobless for more than 12 months. 'Hidden unemployment' is also on the rise, with many people giving up the search for work and becoming 'discouraged workers'<sup>viii</sup>. Addressing this problem is important both to ensure thousands of Australians do not face long-term exclusion from work, and to improve the long-term economic and fiscal outlook by avoiding the erosion of skills and job readiness caused by prolonged absence from the workforce.

### CHALLENGE: YOUTH UNEMPLOYMENT

Young people are particularly vulnerable to unemployment during periods of economic and labour market softness, as they tend to have less education, skills and experience than their older counterparts and are therefore often the first to be retrenched by employers in times of economic difficulty. Labour market conditions for youth (aged 15–24 years) over the past year have been soft, with the youth unemployment rate rising to above 13 per cent in September 2014, as young Australians entering the workforce struggle to find new jobs.

### CHALLENGE: BOOSTING INDIGENOUS EMPLOYMENT

Indigenous Australians experience low labour force participation and employment rates, and high unemployment rates, relative to the rest of the Australian population. In 2012–13, 39 per cent of the Indigenous working age population was not in the labour force, compared with 20 per cent of the non-Indigenous working age population. Furthermore, even among those who are participating, the unemployment rate for Indigenous people was significantly higher than for all Australians, at 22 per cent compared with 5 per cent. Improving education and labour market outcomes for Indigenous Australians is a priority for the Australian Government.



## CHALLENGE: SUPPORTING JOB CREATION

Over recent years, job creation in Australia has slowed. The unemployment rate declined to a recent trough of 4.9 per cent in June 2011, but since then employment growth has been soft and unemployment has increased to 6.1 per cent in September 2014. Over the last year, employment growth has been subdued, at 1.1 per cent. This outcome partly reflects the challenge of managing structural change between industries with varying labour requirements. Strengthening job creation will require a strong commitment to boosting economic growth and ensuring that growth is job-rich.

The Australian Government has committed to the creation of one million jobs over the next five years. As many Australians as possible should enjoy the dignity and self-respect that comes with work and self-sufficiency, and restoring the rate of jobs growth to a level sufficient to bring down unemployment is essential to achieving that end.



### 3. Current policy settings and new commitments

The Australian Government was elected in September 2013 and is putting in place a range of new policy measures aimed at improving economic growth and reducing unemployment. The Government has committed to create one million new jobs over five years and two million new jobs over ten years. By cutting business costs and red tape, reforming workplace relations to bring balance back to the system, strengthening incentives to work and investing in both physical infrastructure and human capital, Australia aims to deliver more jobs and growth and bring the rate of unemployment (particularly long-term unemployment) down.

#### BROAD ECONOMIC SETTINGS

Australia's commitments on broad macro and microeconomic policy will help to stabilise our economy, and create the conditions for private sector job creation. The government's policy settings look to create a sustainable fiscal position, lower business costs, boost incentives to invest and deliver productivity-enhancing infrastructure.

#### Macroeconomic policy

The Australian Government makes the following macroeconomic policy commitments.

- To achieve budget surpluses, on average, over the course of the economic cycle.
- Investing in a stronger economy by redirecting Government spending to quality investment to boost productivity and workforce participation.
- Maintaining strong fiscal discipline to reduce the Government's share of the economy over time in order to free up resources for private investment to drive job and economic growth. The Government will reduce the payments-to-GDP ratio, and pay down debt by stabilising and then reducing Commonwealth Government Securities on issue over time.
- Strengthening the Government's balance sheet by improving net financial worth over time.

Under Australia's macroeconomic policy framework, in normal times monetary policy is the primary demand management tool, supported by automatic fiscal stabilisers. The independent Reserve Bank of Australia sets the cash rate and the exchange rate is freely floating. Fiscal policy is set in a medium-term framework that promotes the sustainability of government finances and supports strong and stable economic growth, where an important element is building the fiscal space to allow capacity to weather downturns and respond to exceptional circumstances.

Australia's Growth Strategy provides a more detailed overview of Australia's macroeconomic policy framework.

#### *Monetary policy*

Australia's current stance of monetary policy is accommodative, with the policy rate target set at the historically low level of 2.5 per cent. The policy rate target has remained unchanged since August 2013, with this judged to be the appropriate policy to support the economy while keeping inflation within the target range of 2 to 3 per cent, on average, over the economic cycle. Continued accommodative monetary policy should provide support to demand, and help growth to strengthen over time, with inflation expected to remain consistent with the target. On present indications, the most prudent course is likely to be a period of stability in policy interest rates.

#### *Fiscal policy*

Australia's Commonwealth (federal) and State (sub-national) governments are undertaking fiscal consolidation at a measured pace, restoring the structural integrity of government finances over the medium term without undermining the economy's transition to broader-based growth in the near term. Australian Government net debt is expected to peak as a share of GDP at 14.6 per cent and gross debt at 25.1 per cent in 2016-17. In structural terms, the budget is expected to be in balance by around 2018-19, with strong structural surpluses projected to build beyond that. These projections provide for future tax relief by assuming tax receipts as a share of the economy are capped.



The composition and timing of the new policy decisions in the 2014-15 Budget mean that additional fiscal consolidation will be achieved without a material impact on economic growth. The Government is significantly increasing investment in new infrastructure with larger multipliers than payments to households and businesses, where the bulk of the fiscal savings will be made.

The fiscal consolidation measures are also weighted towards medium-term structural savings that build over time, with the 2014-15 Budget imposing modest additional fiscal consolidation over the next three years relative to the 2013-14 Mid-Year Economic and Fiscal Outlook. The government has ensured this steady pace of fiscal consolidation will continue from 2017-18.

### Regulation, finance, incentives, investment and entrepreneurialism

The Australian Government makes the following policy commitments to increase competitiveness, reform regulation, strengthen incentives and support investment and entrepreneurialism.

- Cut the cost to business of 'red and green tape' by \$1 billion by September 2014.
- Abolish the carbon and mining taxes and implement an Exploration Development Incentive to support investment in the resources sector.
- From 1 July 2015, cut the corporate income tax rate from 30 per cent to 28.5 per cent.
- Invest \$A 50 billion in land transport infrastructure to 2019–20 and beyond. In combination with contributions from state and territory governments and the private sector, this investment is expected to support over \$A 125 billion in new and upgraded infrastructure.
- Provide the right incentives to enable businesses to grow by implementing the Industry Innovation and Competitiveness Agenda

The Australian Government believes that private enterprise and private investment are the key drivers of economic growth and national prosperity. Excessive regulation discourages business investment and entrepreneurialism, distorts investment decisions and damages productivity and jobs growth.

To support Australian businesses to grow and compete internationally, the Government is implementing a new Industry Innovation and Competitiveness Agenda. This agenda includes measures to provide businesses and workers with the skills and incentives they need to adapt to changing economic conditions and seize new opportunities. As part of this agenda, over the next 18 months the Government will implement initiatives to encourage employee share ownership; reform the vocational education and training sector; promote science, technology, engineering and mathematics skills in schools; accept international standards and risk assessments for certain product approvals; and establish Industry Growth Centres.

To support job creation in the private sector, the Government is also committed to cutting the costs on business from unnecessary red and green tape, freeing business to create jobs while still achieving essential social and environmental goals. The Government's regulatory reforms are aimed at boosting competitiveness, productivity and job creation by reducing the regulatory burden that government imposes on businesses, community organisations and individuals. Regulatory reform is particularly important for small and medium enterprises, which are not as well placed to manage intrusive red and green tape.

According to the Global Competitiveness Index, taxation and regulation add significantly to the cost of doing business in Australia. The Government aims to strengthen incentives to invest, by reducing the costs of doing business and reforming the tax system; boosting job creation and increasing productivity and wages across all sectors. To achieve this, the Government plans to cut or abolish a range of taxes on business, including reducing the rate of company tax by 1.5 percentage points from 1 July 2015.

Investment in infrastructure is also a central part of the Government's jobs strategy. With resources sector investment forecast to ease over the next couple of years, Australia's strong investment in roads will help to fill the gap, creating jobs and improving infrastructure to support long run growth in productivity. The Infrastructure Growth Package announced in the 2014-15 Budget will take the Government's total investment in transport infrastructure \$A 50 billion

to 2019-20 and beyond. This investment, in partnership with state and territory governments and the private sector, is expected to support projects across Australia to deliver over \$A 125 billion of additional infrastructure.

The package includes an Asset Recycling Initiative that will provide financial incentives to State and Territory Governments to sell existing assets and reinvest the sale proceeds into additional productive economic infrastructure. This initiative has the potential to catalyse close to \$A 40 billion of additional investment and contribute to the creation of a strong pipeline of projects.

## LABOUR MARKETS AND SOCIAL PROTECTION

The Australian labour market has a range of areas for potential policy reform. This includes reforms to improve the efficiency of labour markets by restoring balance in the workplace relations system. There is also scope to examine Australia's social security system with a view to strengthening activation mechanisms and incentives to work, and ensuring everyone who can participate in work is required and encouraged to seek employment.

### Labour market regulation

The Australian Government makes the following commitments to improve the operation of Australia's workplace laws.

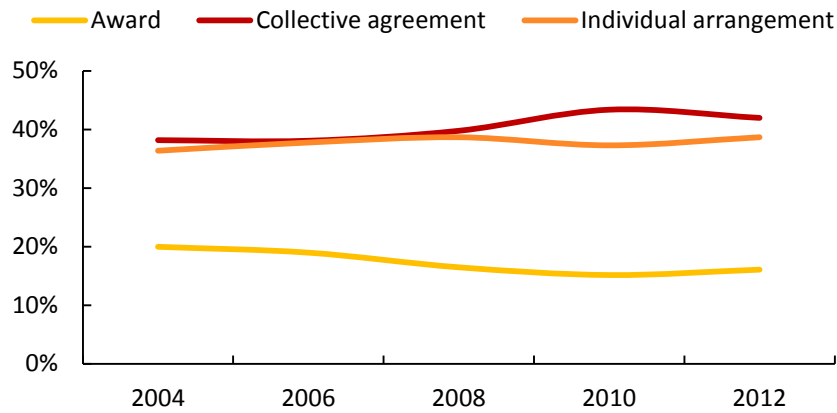
- Re-establish the Australian Building and Construction Commission, to strengthen the rule of law in the construction industry and reduce the cost of building projects.
- Establish a Registered Organisations Commission to improve the governance of unions and employer organisations, in the interests of both workers and businesses.
- Changes to improve bargaining over greenfields agreements for new work sites.
- Remove the ability for unions to take industrial action as a 'first resort' option.
- Reform union access to workplaces to ensure employers are free to manage their workplaces without unreasonable interference, while retaining appropriate capacity for unions to represent members in the workplace.
- The Productivity Commission will be tasked to undertake a thorough analysis of the existing system of labour market regulation, and the impacts it has on the economy, productivity and jobs. This review will help to inform the development of future policy in this area.

Australia's workplace relations system is unique in the developed world. While most of Australia's workforce has their wages and conditions set at the level of the individual enterprise, there is a safety net of awards providing for basic pay and conditions in all industries. The system is overseen by an independent body – the Fair Work Commission – which sets the minimum wages and working conditions in awards, and can act as an arbiter in industrial disputes.

Figure 1 shows the incidence of awards, individual arrangements (such as common-law contracts) and collective agreements in the Australian labour market. This approach of decentralized bargaining between employers and employees underpinned by a safety net and an independent umpire has the benefit of allowing individual businesses to establish agreements that suit their specific circumstances, while providing employees with security in the labour market.



**Figure 1: Proportion of Australian workforce under different pay-setting arrangements**



Source: Australian Bureau of Statistics, *Employee Earnings and Hours, Australia, May 2012* (cat. no. 6306.0)

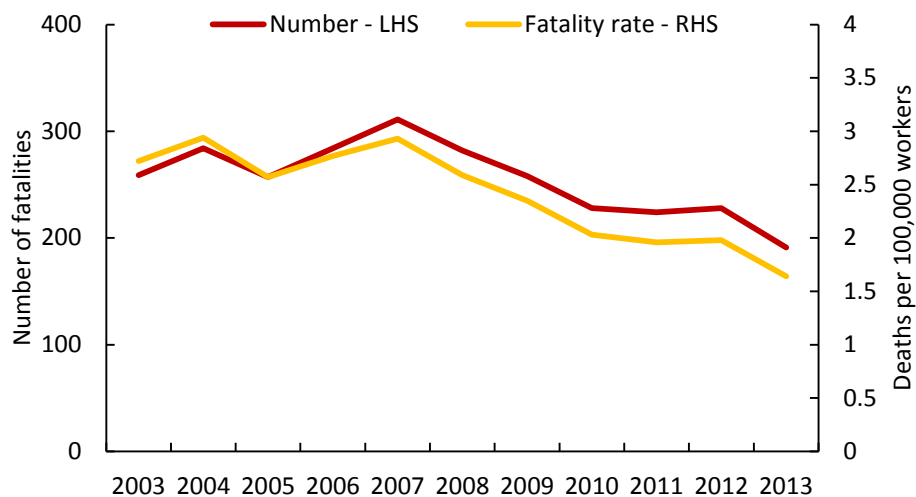
The Australian Government will establish an independent review of the Fair Work laws, which will make recommendations on how the system can be further improved. The Australian Government will consider implementing recommendations which can help to boost growth and jobs, while balancing those goals against fairness and equity.

A more balanced workplace relations system in Australia will reduce the cost of doing business, and encourage investment and new jobs growth. Australia’s policy commitments to strengthen bargaining and flexibility arrangements, and improve law and order in the construction sector, will work towards this end.

*Workplace safety*

Australia has steadily improved its work health and safety performance over the last decade. Between 2003 and 2013 there was a 40 per cent decrease in the incidence rate of traumatic injury fatalities (see Figure 2). The rate of serious workers’ compensation claims for injury and disease<sup>ix</sup> has also declined by 32 per cent, from 16 claims per 1000 employees in 2000–01 to 11 in 2012–13.

**Figure 2: Worker fatalities: number of fatalities and fatality rate, 2003 to 2012**



Source: Safe Work Australia. *Work-related Traumatic Injury Fatalities, Australia, 2013*



The Australian Government and the state and territory governments are currently undertaking an examination of the model work health and safety laws to improve safety outcomes, address issues impeding the effective and efficient operation of the laws and remove unnecessary over-regulation. There will also be a focus on developing accessible and practical guidance to aid understanding and compliance, particularly for small business.

In terms of workers' compensation, all Australian jurisdictions provide no-fault coverage of eligible employees who are injured at work through statutory workers' compensation schemes. All Australian workers compensation authorities are working towards improving outcomes for injured workers, with a focus on a safe, timely and sustainable return to work.

## Social protection

Australia has a comprehensive system of social protection involving unemployment benefits, disability and age pensions, family assistance, and a universal health insurance scheme. Australia's system of transfer payments differs from most advanced countries in that it is funded through general taxation rather than a system of social contributions, and is not generally dependent on prior participation in work. It is tightly means-tested, with benefits conditional on the incomes and assets of applicants. This provides generous support to those who are unable to work, while aiming to maintain incentives to seek employment for those who can work, coupled with activation measures.

However, there is scope for reforms to improve workforce participation, encouraging all Australians who are able to work to participate in the economic life of the community, and to improve the sustainability of the social protection system. The Government has commissioned a review of working age payments to identify opportunities for reforms to strengthen work incentives. Where benefits can be reduced or eliminated at little social cost, it can help to encourage people to seek employment and self-sufficiency.

Over the longer term, increasing the age of eligibility for access to the Age Pension and reducing the rate of indexation for other benefits will encourage higher labour force participation. Australians are living longer, healthier lives, and the number of people aged 65 to 84 is expected to more than double between 2010 and 2050. Increasing the pension eligibility age will encourage more workforce participation by mature age people, and help address the costs of an ageing population.

## Active labour market programmes

The Australian Government makes the following commitments to improve active labour market programmes.

- A new employment services model will be introduced on 1 July 2015 for most job seekers.<sup>x</sup>
- Stronger Mutual Obligations will require job seekers aged up to 30 to complete 650 hours over 26 weeks (25 hours per week) and job seekers aged 30 and up to 60 to complete 390 hours over 26 weeks (15 hours per week) of an eligible activity. Job seekers under 50 years of age will undertake Work for the Dole as the principal activity.
- Employment service providers will be able to offer employers a subsidy of up to \$A 6,500 to hire, train and retain a job seeker who has been unemployed for 12 months or more. Employers will be eligible for the first wage subsidy payment of up to \$A 3,250 after the job seeker is employed for six months with a second payment of up to \$A 3,250 after 12 months.

Australia's system of public employment services is run through a decentralised model, involving private and community sector providers delivering services funded by the Australian Government. The providers operate in a 'managed market', with incentives and reward payments for providers who succeed in placing job seekers in work. The system is 'streamed', with more generous services for those job seekers identified as facing greater barriers to finding work. There are three main programmes: Job Services Australia for mainstream job seekers, Disability Employment Services and the Remote Jobs and Communities Programme for job seekers in remote areas.



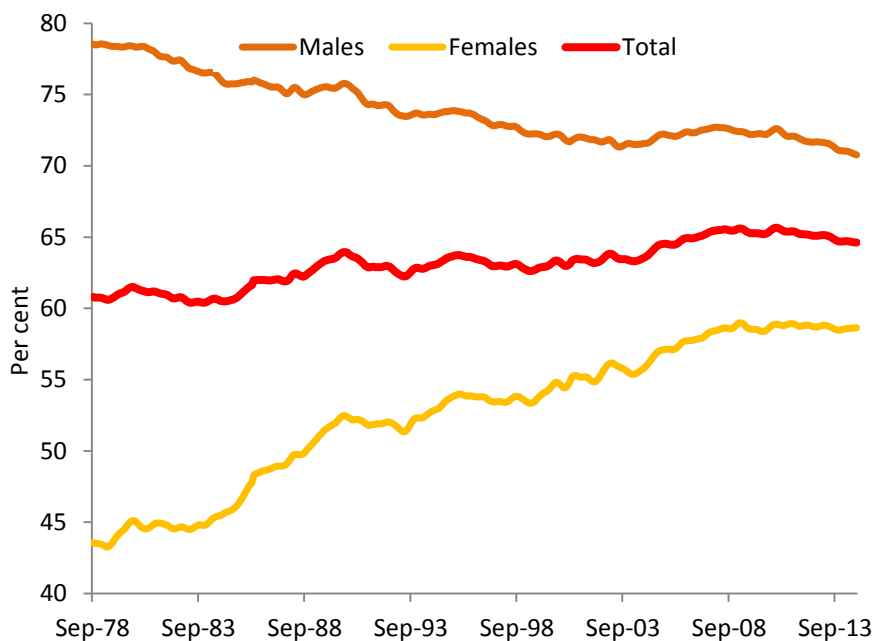
These programs are supported by other initiatives designed to encourage job seekers into work and improve their employability. Young Australians aged 18 to 30 who have been unemployed for 12 months or more will receive a \$A 2,500 Job Commitment Bonus if they commence work and remain in a job and off welfare for a continuous period of up to 12 months, along with a further \$A 4,000 if they remain in a job and off welfare for up to 24 months. An expanded Work for the Dole programme commenced in July 2014, requiring young people to participate in work-like activities in exchange for income support for 15 hours per week, expanding to 25 hours per week from 1 July 2015, for six months in every year. Mature aged job seekers are encouraged to re-enter the workforce through the Restart programme. This programme provides a wage subsidy of up to \$A 10,000 to employers who hire an eligible mature age job seeker on a full-time basis for 24 months, with this payment being pro-rated for those who are employed on a part-time basis.

The Government will fundamentally reform employment services to improve job outcomes for unemployed Australians. The key objective of the new employment services model is to promote stronger workforce participation by people of working age and help more job seekers move from welfare to work. To achieve this, the new model will reinforce the principle of Mutual Obligation, target assistance to job seekers needing the most help, improve the support that is available for businesses, foster and reward results rather than processes, and end the process of ‘training for training’s sake’ as an alternative to employment outcomes.

### Policy measures targeting labour market disadvantage

Australia takes a holistic approach to addressing issues of labour market disadvantage and equity. A range of groups face multiple barriers to participation in the labour market, including Indigenous Australians, women, people with a disability, youth, the long-term unemployed, mature age Australians and people living in regions. The Australian Government works to address all of these issues through policies, programmes and anti-discrimination regulations.

**Figure 3: Male and female labour force participation in Australia**



Source: Australian Bureau of Statistics, *Labour Force, Australia*, September 2014 (cat. no. 6202.0)



## Women

Over recent decades, the gap between male and female participation has narrowed as more women have participated in the workforce (see Figure 3). Evidence from comparable countries suggests Australia could achieve a higher rate of women's participation, and that there is still scope to strengthen growth and create more jobs by addressing barriers to female participation in the workforce, especially by helping women to balance work and family responsibilities.

The Australian Government makes the following policy commitments to improve women's economic participation.

- From 1 July 2015, a new universal paid parental leave scheme will provide up to 26 weeks of support at the mother's replacement wage, up to an annual wage rate of \$A 100,000.
- Family payments will be reformed, including by tightening eligibility for Family Tax Benefit Part B (FTB-B). From 1 July 2015 families will no longer receive this payment when their youngest child turns six.
- The primary income threshold for eligibility for FTB-B will also be reduced from \$A 150,000 to \$A 100,000 per annum.

Australia's existing paid parental leave scheme is relatively modest by international standards, providing 18 weeks payment at the value of the national minimum wage. This may not be sufficient for many families who find it difficult to adjust to the change in their financial circumstances while providing high quality parental care for their child in their critical first year of life. To address this issue, the Government is introducing a new, more generous paid parental leave scheme, which will provide 26 weeks of payments at full replacement wage levels for eligible new mothers.

The new scheme will provide effective financial support for mothers to leave the workforce temporarily and care for very young children, helping them balance their work and family commitments while maintaining attachment to the workforce. It will complement existing unpaid parental leave entitlements and ease the financial burden on mothers, thereby ensuring families are able to provide care for their child for at least the 26 week period recommended for optimal maternal and child health outcomes.

Reforming the income support system to encourage women who can work to seek employment is also an important way to promote workforce participation. Adjusting eligibility for FTB - B (a payment made to principal carer parents who are not currently employed, contingent on the income of the principal earner) by limiting it to single parents with children aged 6 or younger and lowering the primary earner income test threshold from \$A 150,000 to \$A 100,000 will encourage secondary earners to increase hours worked. Low income single parents will retain access to income support and Family Tax Benefit Part 'A', including a new supplement to compensate them for lost income if they have school age children.

## Youth

The Australian Government makes the following policy commitments to address youth unemployment.

- The Government will introduce an expanded Work for the Dole programme for young people.
- From 1 January 2015, young Australians aged up to 30 years with full work capacity will be subject to a waiting period of up to 6 months, after which time they will be required to undertake Work for the Dole activities before they receive income support. Those who take up approved full-time study will qualify for student income support, which will not be subject to this policy.
- From 1 July 2014, young Australians aged 18 to 30 years who have been unemployed for 12 months or more will receive a \$A 2,500 Job Commitment Bonus if they commence work and remain in a job and off welfare for a continuous period of up to 12 months, along with a further \$A 4,000 if they remain in a job and off welfare for up to 24 months.
- The Government has introduced generous Trade Support Loans to ensure Australian apprentices will have the support they need to take up a trade and complete their training.
- The Government will support an additional 80,000 higher education students per year by 2018.



The Government is encouraging young Australians to either earn or learn by requiring job seekers up to 30 years of age with full work capacity who apply for Newstart or Youth Allowance (Other) to participate in job search and employment service activities for up to six months before receiving any payment. The waiting period will be reduced if a job seeker has previous employment. Job seekers must participate in employment services and actively search for work during the waiting period. At any time while unemployed, job seekers are able to choose to undertake further study and are able to apply for Youth Allowance (Student) or AUSTUDY.

After six months these young job seekers will be required to participate in six months of Work for the Dole for 25 hours per week in return for receiving income support. If job seekers have not secured a job at the end of their Work for the Dole participation, employers who take them on will be eligible to receive a wage subsidy.

### *Indigenous people*

The Australian Government makes the following policy commitments to address Indigenous unemployment.

- The Council of Australian Governments has in place a target to halve the employment gap between Indigenous and non-Indigenous Australians by 2018.
- The Australian Government is providing up to \$A 45 million to support new employer demand driven Vocational Training and Employment Centres (VTECs).
- The 2014-15 Budget invests \$A 4.8 billion to replace more than 150 individual programmes and services with five streamlined broad-based programmes under an Indigenous Advancement Strategy.

Australian job seekers residing in remote regions (76 per cent of the Australian land mass) receive assistance under the Remote Jobs and Communities Program (RJCP). Around 85 per cent of RJCP participants are Indigenous – many of whom reside in discrete small communities significantly distant from strong labour markets and services. As job seekers in remote regions (especially Indigenous job seekers) face more barriers to employment than job seekers in non-remote regions, they receive a higher level of servicing tailored to accommodate local conditions and requirements.

The vast majority of Indigenous job seekers are serviced by the mainstream employment service Job Services Australia. As the majority of Indigenous job seekers face more barriers to employment on average they receive a higher level of servicing. There are also a number of specialist Indigenous Job Services Australia providers. Furthermore, there are a number of incentives to encourage effective servicing of Indigenous job seekers by Job Services Australia providers.

To date more than 4000 Indigenous Australians have been guaranteed jobs through contracts signed with VTECs. VTECs have been set up to provide support and employment to Indigenous job seekers in regions such as the south coast and Hunter regions of New South Wales, the Kimberley and the Pilbara in Western Australia, and north and central Queensland, as well as the capital cities.

The new employment services model, to commence on 1 July 2015, is designed to deliver better employment outcomes for Indigenous people. There will be targets for increasing Indigenous employment outcomes, and they will be part of Employment Providers' ongoing performance assessment. Indigenous job seekers will be able to access the Long Term Unemployment Wage Subsidy at 6 months unemployment while other job seekers wait until they have been unemployed 12 months. The recent review of Indigenous Training and Employment Programmes has recommended a number of reforms aimed at improving employment and training services. The Government has not yet released its response to the Review.

### *Regional areas*

Regional unemployment rates vary widely in Australia. Against the backdrop of soft economic and labour market activity over recent years, conditions in a number of regions have deteriorated. As result, over time, the difference between the highest and lowest unemployment rate has increased. Prior to the Global Financial Crisis (GFC), the difference stood at 6.1 percentage points in April 2008, widening to 15.0 percentage points in March 2010. While there has been some narrowing in regional labour market disparity since the global recession, it remains more pronounced than it was prior to the GFC, at 7.1 percentage points in September 2014 (see Figure 4 below).

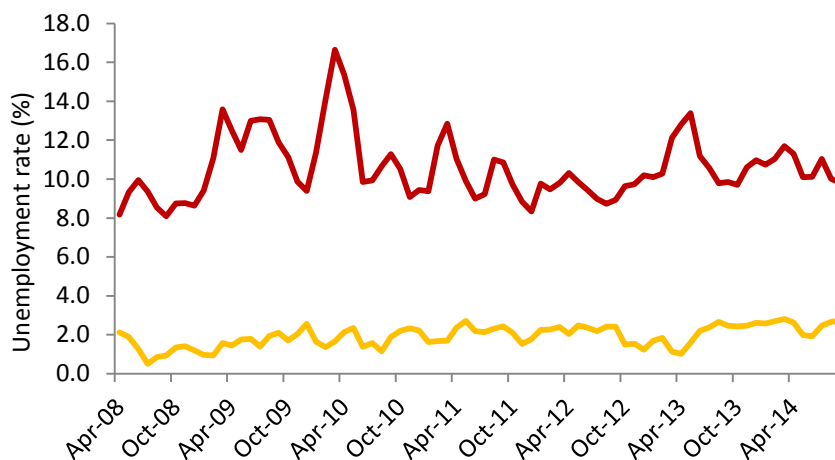


The Government is also seeking to strengthen activation requirements and encourage the long-term unemployed to move to new areas of opportunity.

The Relocation Assistance to Take Up a Job programme is designed to encourage labour mobility by providing relocation assistance. The programme provides practical and financial assistance to job seekers to relocate to take up ongoing work and to support employers by matching workers from outside their local areas.

Job seekers who have been unemployed for 12 months or more are eligible for up to \$A 6000 if they move to a regional area to take up a new job, or up to \$A 3000 if they move to a capital city to take up a new job. Families with dependent children are eligible for up to an extra \$A 3000 to help cover the additional costs of relocation. Funding is flexible and can be used for a range of relocation related purposes such as two months’ rent, removalist and travel costs.

**Figure 4: Regional unemployment disparity – highest and lowest unemployment rates**



Note: Data are three month averages of original estimates

Source: Australian Bureau of Statistics, *Labour Force, Detailed - Electronic Delivery*, September 2014 (cat. no. 6291.0.55.001)

**Manufacturing workers**

The Australian Government makes the following policy commitments to support workers in industries facing structural decline.

- The Government is implementing a \$A 155 million Growth Fund to transition automotive workers to new jobs and accelerate private sector investment in regions facing pressure on their manufacturing sectors.
- The Government also committed employment support to redundant automotive workers through the Automotive Industry Structural Adjustment Programme.

The Australian Government supports redundant workers to find alternative employment through a range of programmes such as Job Services Australia.

Manufacturing employment has been in general decline over recent decades, with automotive manufacturers set to close their Australian facilities in the next few years. To address the labour market consequences of these closures, the Government has announced a package to support job creation in regions facing significant job losses. This is in addition to the wide range of labour market services and programmes already provided by the Australian Government to unemployed job seekers.

The Government’s wide ranging industry initiative includes a \$A 155 million Growth Fund to transition automotive workers to new jobs and accelerate private sector investment in South Australian and Victoria. It will also include the development of a National Industry Investment and Competitiveness Agenda later in 2014.



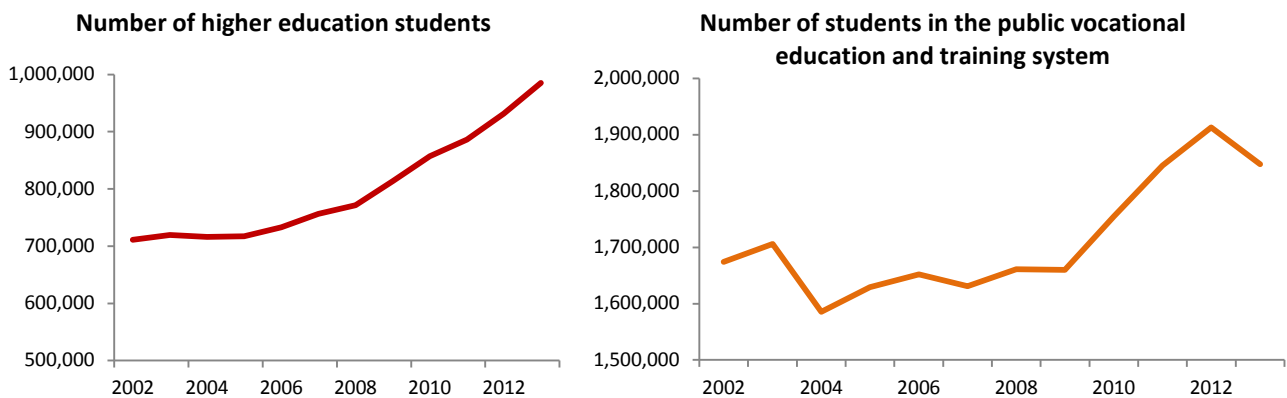
## SKILLS DEVELOPMENT

The Australian Government makes the following policy commitments to improve skills development.

- Further deregulation of the higher education sector will be achieved by removing fee caps and expanding the demand-driven system to bachelor and sub-bachelor courses at all higher education providers.
- In the 2014-15 Budget the Australian Government announced a new \$A 476 million Industry Skills Fund to streamline training and better position Australian industry to succeed in a rapidly changing global economy. The fund will commence on 1 January 2015 and will deliver close to 200,000 targeted training places and training support services over four years.
- The Government is also supporting those learning a trade by providing concessional Trade Support Loans of up to \$A 20,000 over the life of an apprenticeship. These loans will assist with the cost of undertaking an apprenticeship.
- The Australian Government will invest up to \$A 200 million annually to establish the Australian Apprenticeship Support Network to deliver a new generation of support services to Australian Apprenticeships participants to lift apprenticeship completion rates.

Australia has a universal system of public schools, and broad vocational and university education systems, providing high quality services at all levels. The Australian Government plays a central role in the funding of all three tiers of education, and policy reform to strengthen education and training is ongoing. Educational attainment has increased rapidly in recent decades, and record numbers of students are enrolled in post-school education and training (see Figure 5).

**Figure 5: Enrolments in post-school education**



Source: Department of Education, *uCube – Higher Education Data Cube*; National Centre for Vocational Education Research, *Australian vocational education and training statistics: Students and courses 2013*

Over recent decades, growth in demand for skilled labour has outstripped growth in demand for unskilled labour, both in Australia and in most other developed countries. Basic schooling remains essential to foster economic growth, as a workforce with a high level of foundation skills (such as literacy and numeracy) is more able to adapt to the dynamic shifts in the demand for skills that are typical of a modern economy. Investing in higher level skills is also essential, to foster productivity growth and support the strong service and primary industries Australia needs into the future.

### School education

The Government has introduced a range of funding and policy measures that will support improved outcomes for all Australian students. Significantly, the Government has introduced a needs-based funding model which applies across Australia, and which provides a per student price of education coupled with six loadings to target disadvantage. This



additional funding is provided, regardless of sector, for students with disability, Indigenous students and students from low socio-economic backgrounds.

The Government recognises that while funding is important, national and international research indicates that it is not a sufficiently effective driver of improved outcomes by itself – countries that spend a high proportion of the GDP on education do not automatically produce high performing education systems.

As a result, Australia's needs-based funding approach is supported by a focus on four key areas which have a significant impact on student achievement:

- teacher quality;
- school autonomy;
- engaging parents in education; and
- strengthening the curriculum.

International evidence shows that clear accountability for school results helps create a learning environment that encourages innovation and excellence from school leaders, teachers and students. Greater access to information has been shown to inform better decision making, enabling teachers, parents and students to make better informed choices about children's education. The Australian Government is investing in an improved performance information system to ensure quality data is available to track progress, inform policy development, evaluate interventions and hold education systems to account.

### Apprenticeships, vocational training and higher education

Australia's vocational education and training (VET) system operates nationally by agreement between the Commonwealth, state and territory governments with input from industry. Governments provide funding, develop policies and contribute to regulation and quality assurance of the sector. Industry and employer groups contribute to training policies and priorities, and in developing qualifications that can deliver skills to the workforce.

The Australian Government provides significant funding to states and territories for VET. However, state and territory governments are responsible for the training systems within their jurisdictions, including student eligibility and access to public subsidies, and the setting of strategic priorities for the delivery of courses and qualifications.

The Australian Apprenticeships system supports skills formation in an employment context. As well as providing funding to state and territory governments to support apprenticeship training, the Australian Government also funds a range of incentives and personal benefits for employers and apprentices. The Government is in the process of establishing the Australian Apprenticeship Support Network to deliver a new generation of support services to Australian Apprenticeships participants to lift apprenticeship completion rates.

The higher education sector is predominantly public, and funded through a combination of student contributions and government support – primarily from the Australian Government. A system of subsidised student loans – the Higher Education Loan Programme (HELP) – allows students (including those on low incomes who may otherwise be deterred by the cost) to defer fees while allowing limited public resources to be spread over a greater number of students.

Higher education has been one of the most successful new export industries to emerge in the last generation, with education now our fourth largest export earner. However, the sector operates in a highly competitive and globalised market, where overseas universities are rapidly building their quality and global reputation.

Full deregulation of the higher education sector will be achieved by removing fee caps and expanding the demand-driven system to bachelor and sub-bachelor courses at all higher education providers. Higher education institutions will be responsible for the setting of course fees. This change will allow Australian universities to continue to compete with the best in the world by giving them the freedom to innovate, a greater ability to invest in world class research, and the capacity to respond to the needs of students and businesses in terms of choice and quality.

Students will benefit through more accessible higher education supported by the continuation of the Higher Education Loan Programme (HELP) and more courses and institutions receiving Commonwealth support. Higher education



providers will be required to direct 20 per cent of additional revenue from increases in new student contributions to a scholarship scheme which will support access for disadvantaged students.



## 4. Monitoring of commitments

This section reports on the implementation of Australia's commitments made under recent G20 presidencies, including the Los Cabos Jobs and Growth Plan and the Saint Petersburg Action Plan. It highlights the major measures Australia has taken to address its commitments, as well as identifying the steps it has taken to follow through on strategies endorsed by G20 Labour and Employment Ministers.

### Los Cabos and Saint Petersburg commitments

#### 1. Tax and benefit reforms to enhance productivity and improve incentives to work

Increasing the tax-free threshold from \$A 6,000 to \$A 18,200 has enhanced incentives to work, as well as simplifying the tax system by eliminating the need for many Australians to fill out a tax return. This G20 employment plan outlines a number of further policy measures which are aligned with this Los Cabos commitment.

Both the Carbon Tax and the Minerals Resource Rent Tax have been abolished, and a new Exploration Development Incentive will encourage resource exploration and support mining investment. This tax break will allow investors to deduct the expense of mining exploration from their taxable income, providing an incentive to undertake marginal exploration activity and boosting future investment in the resources sector in Australia.

From 1 July 2015, the Australian Government will cut the rate of company tax from 30 per cent to 28.5 per cent. This reform will strengthen incentives to invest and improve business opportunities.

#### 2. Enhancing education, training and skills development

The Australian Government is committed to delivering a more effective and efficient skills and training system with a focus on providing job-ready skills. In this employment plan, the Australian Government has committed to delivering a \$A 476 million Industry Skills Fund to streamline training and better position Australian industry, as well as a new income-contingent loan scheme for Australian Apprentices.

#### 3. Encouraging the participation of females in the labour force through, for example, reforming benefit systems and providing affordable child care services

Australia has implemented reforms to strengthen incentives to work for single mothers on income support by moving them onto a lower rate of welfare benefits when their youngest child is eight years of age. This reform encourages single mothers with school age children to find work, by increasing the relative financial return to work compared with non-work. Reforms to the indexation of payments to single parents with pre-school age children will also encourage their participation in the workforce over the medium to long term.

The reforms to eligibility for family payments announced in the 2014-15 Budget and committed to in this employment plan will further strengthen incentives for secondary earners (typically women) to enter the workforce.

#### 4. A new disability insurance scheme

Australia is progressing work on the National Disability Insurance Scheme (NDIS). Trial sites have commenced operation, and full implementation will proceed from 1 July 2016. New NDIS trials began in Western Australia, the Australian Capital Territory and the Northern Territory on 1 July 2014, along with a trial of the Western Australian My Way programme, assisting around 14,000 people with permanent and significant disabilities over the trial period. This brings the total number of people with disability being assisted through the trial period to more than 35,000 (including the My Way programme).

Once the NDIS is fully rolled out across Australia, it is expected to provide flexible and appropriate funding for necessary services and support to over 460,000 Australians suffering from a disability. The Government is determined to ensure the foundations for the scheme are sound and that the scheme is sustainable into the future.



## 5. Reforms to improve skills development through schools and tertiary education

The Australian Government is implementing an additional \$A 2.8 billion of investment in schools through a national school funding agreement with the States and Territories. The reforms to the higher education sector committed to in this employment plan will strengthen competition, giving universities the freedom to innovate, a greater ability to invest in world class research, and the capacity to respond to the needs of students and businesses in terms of choice and quality.

### Youth employment, training and quality apprenticeships

In April 2012, Commonwealth, state and territory governments agreed a number of significant reforms to the VET sector, including a national training entitlement, better consumer information and expansion of the Commonwealth's income contingent loans scheme. These reforms are underpinned by Australian Government funding of \$A 1.7 billion over five years from 2012.

A process is underway to reform Australian Apprenticeship Support Services, in order to deliver better support and assistance for apprentices and improve completion rates in the apprenticeship system. Australian apprentices will have the support they need to take up a trade and complete their training, with the Government providing loans of up to \$20,000 over the four years of an apprenticeship.

Australia has introduced a national youth participation requirement which requires all young people to participate in schooling (or an approved equivalent) to Year 10, and then participate full-time (at least 25 hours per week) in education, training or employment, or a combination of these activities, until age 17. These requirements were implemented through changes to school leaving age legislation in states and territories, and Commonwealth changes to income support eligibility requirements.

Two pilots announced earlier this year will also encourage businesses to employ and invest in young people. These pilots will trial a new way of boosting economic activity in regional areas and improving job prospects for young people. The Training for Employment Scholarships pilot, which initially includes 7500 places, and Youth Employment Pathways pilot, which will initially have 3000 places, will commence in March 2015.



## ANNEX A: Policy measures to address the identified employment challenges

Policy Challenges	New commitments	Existing settings
<p><b>Stronger job creation</b></p>	<ul style="list-style-type: none"> <li>• Fiscal sustainability and a budget surplus of 1 per cent of GDP by 2023-24.</li> <li>• Cut the cost to business of ‘red and green tape’ by \$A 1 billion.</li> <li>• Abolished the carbon and mining taxes</li> <li>• Implementing the Industry Innovation and Competitiveness Agenda</li> <li>• Implement an Exploration Development Incentive.</li> <li>• Cut the corporate income tax rate from 30 per cent to 28.5 per cent.</li> <li>• Invest \$A 50 billion in land transport infrastructure.</li> <li>• Re-establish the Australian Building and Construction Commission</li> <li>• Establish a Registered Organisations Commission.</li> <li>• Establish realistic timeframes for greenfield agreements on new work sites.</li> <li>• Reform union access to workplaces.</li> <li>• A thorough analysis of the existing system of labour market regulation to inform the development of future policy in this area.</li> </ul>	<ul style="list-style-type: none"> <li>• Expansionary monetary policy</li> <li>• Automatic fiscal stabilisers</li> <li>• Stable investment climate</li> <li>• Flexible labour market regulations</li> <li>• Public investment in infrastructure</li> <li>• Job Services Australia</li> </ul>
<p><b>Boosting labour force participation</b></p>	<ul style="list-style-type: none"> <li>• Family payments will be reformed.</li> <li>• Indexation of Parenting Payment Single (PPS) and other pensions will be reduced.</li> <li>• The pension age will be increased from 67 to 70 years.</li> <li>• The Low Income Supplement will be abolished.</li> <li>• The new arrangements for Job Services Australia will strengthen requirements around mutual obligation.</li> <li>• An expanded Work for the Dole programme.</li> <li>• A new universal Paid Parental Leave scheme.</li> <li>• Further deregulation of the higher education sector.</li> <li>• Review of working age payments</li> <li>• A new Australian Apprenticeship Support Network</li> </ul>	<ul style="list-style-type: none"> <li>• Incentives to work in the tax-transfer system               <ul style="list-style-type: none"> <li>○ A high tax-free threshold</li> <li>○ Lower effective marginal tax rates for groups with high labour supply elasticities, such as single mothers</li> </ul> </li> <li>• Child Care Benefit and Child Care Rebate</li> <li>• Job Services Australia</li> <li>• Disability Employment Services</li> <li>• Universal schooling</li> <li>• Demand-driven higher education</li> <li>• National Partnership on Skills Reform</li> </ul>

<p><b>Addressing long-term unemployment</b></p>	<ul style="list-style-type: none"> <li>• The new employment services model will provide improved services for job seekers and employers, and strengthen the principle of mutual obligation.</li> <li>• The Restart programme provides a wage subsidy of up to \$A 10,000 for mature age job seekers.</li> <li>• A wage subsidy of \$A 3,250 to any employer who hires long-term unemployed Tasmanians and keeps them on for at least six months.</li> <li>• A wage subsidy of up to \$A 6500 paid to employers who hire a long-term unemployed job seeker.</li> <li>• \$A 100 million growth fund to support regions facing pressure in their manufacturing sectors.</li> <li>• Employment support to redundant automotive workers.</li> <li>• Financial Assistance of up to \$A 9000 for unemployed job seekers who relocate to start a new job through Relocation Assistance to Take Up a Job.</li> </ul>	<ul style="list-style-type: none"> <li>• Job Services Australia                             <ul style="list-style-type: none"> <li>○ Job search assistance</li> <li>○ Tailored support for job seekers</li> <li>○ Streamed by level of need for assistance</li> </ul> </li> <li>• Disability Employment Services</li> <li>• Remote Jobs and Communities Programme</li> </ul>
<p><b>Youth unemployment</b></p>	<ul style="list-style-type: none"> <li>• The Government will support those learning a trade by providing concessional Trade Support Loans.</li> <li>• New job seekers up to 30 years of age with full work capacity will be subject to a 6 month waiting period before they receive income support, with subsequent non-payment periods for 6 months out of every 12.</li> <li>• Young Australians aged 18 to 30 years who have been unemployed for 12 months or more will receive up to a \$A 6,500 Job Commitment Bonus if they remain in a job and off welfare.</li> <li>• A wage subsidy of up to \$A 6500 paid to employers who hire a job seeker under 30 years old.</li> <li>• Training for Employment Scholarships and Youth Employment Pathways pilots.</li> </ul>	<ul style="list-style-type: none"> <li>• Youth wages</li> <li>• High school attendance required until age 17</li> <li>• Australian Apprenticeships Incentives Programme</li> <li>• Australian Apprenticeships Support Services</li> <li>• Job Services Australia</li> </ul>
<p><b>Indigenous employment</b></p>	<ul style="list-style-type: none"> <li>• The 2014-15 Budget invests \$A 4.8 billion to replace more than 150 individual programmes and services with five streamlined broad-based programmes under an Indigenous Advancement Strategy.</li> <li>• A review of employment and training to deliver recommendations for better targeting and administration of Indigenous training and employment services in order to connect unemployed Indigenous people with real and sustainable jobs.</li> </ul>	<ul style="list-style-type: none"> <li>• Job Services Australia</li> <li>• Remote Jobs and Communities Programme</li> </ul>

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<sup>i</sup> 2007-08 and 2011-12 data.

<sup>ii</sup> Australian data expressed as Year 12 or equivalent attainment for people aged 20 to 24 years

<sup>iii</sup> 2012 data

<sup>iv</sup> Expressed as the proportion of people aged 25 to 65 who have attained an ISCED Level 5 or 6 qualification, as defined by the ISCED 97 classification.

<sup>v</sup> 2012 data

<sup>vi</sup> June quarter 2015

<sup>vii</sup> See also Annex A for a list of new policy commitments and existing policy settings categorised according to the challenges.

<sup>viii</sup> Hidden unemployment refers to the phenomenon of workers who would like to work becoming discouraged by poor labour market conditions and dropping out of the labour force, in the technical sense that they are no longer seeking employment on a regular basis.

<sup>ix</sup> Serious claims include injuries or diseases that result in one working week or more absence from work, excluding fatalities and claims relating to a journey to or from work or a recess period.

<sup>x</sup> The new employment services model will not apply to job seekers in remote parts of Australia or job seekers who are assisted through Disability Employment Services



# **EMPLOYMENT PLAN 2015**

**Australia**

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The Australian Government has embarked on a comprehensive Economic Action Strategy to provide the right conditions to drive growth and create jobs, restore the structural integrity of government finances, and support continued improvements in national living standards. Measures outlined in Australia's Employment Plan will facilitate job creation, lift labour force participation and better match skills with jobs.

## 1. Employment and labour market outlook

The Australian economy is expected to strengthen over coming years, as it continues to transition from mining investment-led growth to broader-based drivers of economic activity. Economic growth is forecast to be 2¾ per cent in 2015–16, before increasing to around 3¼ per cent in 2016–17.

The unemployment rate has been broadly steady in 2015 at around 6¼ per cent. It is expected to peak at 6½ per cent in 2015-16 and then decline with stronger employment growth.

	Real GDP growth		GDP per capita (USD terms)		Employment growth		Employment to population ratio (a)	
Australia	2.5	2.7	\$41,863	\$43,978	2.8	0.9	62.7	60.7
G20 median	1.4	2.1	\$33,978	\$32,404	1.1	1.0	57.7	57.3
	Unemployment rate		Incidence of long-term unemployment		Youth unemployment rate		Proportion of youth not in employment, education or training (NEET aged 15-29, %) (b)	
Australia	4.2	6.1	14.9	21.8	9.0	13.3	10.5	12.6
G20 median	6.2	6.2	26.9	32.1	n/a	16.0	17.0	18.0
	Participation rate (15+) (c)		Female participation rate (15+) (c)		Working age (15 to 64) participation rate			
Australia	65.5	64.6	58.5	58.6	76.5	76.3		
G20 median	60.2	60.0	50.4	51.8	72.2	72.7		

	Minimum wage (% of average wage)		Gini coefficient (d)		School completion rate	
Australia	45.0	44.0	0.336	0.333	83.3	85.3
G20 median	34.9	35.1	0.341	n/a	78.2	83.2
	Collective bargaining coverage (e)		Year 12 or equivalent attainment (25 to 64)		Tertiary educational attainment (25 to 64)	
Australia	39.8	41.1	69.9	76.4	36.1	39.5
G20 median	n/a	n/a	69.8	74.2	n/a	n/a

Notes for Tables 1a and 1b: Percentage figures, except in the case of GDP per capita and the Gini coefficient. Growth figures are percentage change on previous year unless otherwise indicated. The Gini coefficient is a measure of income distribution ranging from 0 (complete equality) to 1 (complete inequality). Data for the incidence of long-term unemployed are expressed as the percentage of all unemployed people. Point-in-time data is for the 2008 or 2014 calendar years or June quarter 2008 and June quarter 2014. Time periods were selected on the basis of data availability and consistency across G20 Employment Plans. GDP per capita in constant price in PPPs ('International US dollar', base year 2010). Education data are for 2008 (LHS) and 2012–2013 (RHS). Minimum wage data are for 2008 (LHS) and 2013 (RHS). n/a denotes not available.

Sources: Data collated by the ILO/OECD for the G20 Employment Working Group meeting in July 2015, unless otherwise indicated.

(a) Employment to population ratio data sourced from Australian Bureau of Statistics (ABS), *Labour Force, Australia*, (Cat. No. 6202.0) September 2015.

(b) NEET data sourced from the ILO/OECD report, *Feasibility of setting a quantitative youth target*, Table A1.4, page 15.

(c) Department of Employment calculations based on *OECD.stat* short-term labour market statistics.

(d) OECD Income Distribution database and ABS, *Household Income and Wealth Distribution* (Cat No 6523.0), 2013-14.

(e) ABS, *Employee Earnings and Hours* (Cat. No. 6306.0), May 2012 and May 2014.

Employment growth	Unemployment rate	Participation rate
2 per cent	6¼ per cent	64¾ per cent

Source: Australian Government, *Budget Strategy and Outlook: Budget Paper No. 1, 2015-16*.

## 2. Employment challenges for Australia

Australia faces a mix of challenges to increase labour force participation and support greater job creation so that more Australians can benefit from work.

### Challenge: Boosting labour force participation

Population ageing poses a challenge to many advanced countries, including Australia. The labour force participation rate for people aged 15 years and over is projected to fall to less than 63 per cent by 2054–55, compared with around 65 per cent today. This is expected to generate fiscal pressures through a smaller labour force and income tax base as well as increased demand for age-related payments and services. Improving workforce participation rates for groups with potential for higher participation is not only a pathway to boost Australia's productive capacity, but can improve equity and opportunity for all Australians. For example, Australia has a gender gap in participation; while Indigenous Australians, mature age Australians and people with disability also have much lower participation rates than the general population.

Despite having in place the building blocks for strong participation, the rate of women's workforce participation in Australia (around 71 per cent) is well behind that of men (around 82 per cent). There are nearly two million Australian women of working age (15-64 years) who are not in paid work or studying full-time. A range of barriers result in women being less likely than men to do paid work, for example, women are more likely than men to spend hours doing unpaid work.

### Challenge: Addressing long-term unemployment

Earlier this century, Australia achieved a substantial decline in long-term unemployment, which reached a 20-year low in July 2008. The number of long-term unemployed has since tripled. 'Hidden unemployment' is also high, with many people giving up the search for work and becoming 'discouraged workers'<sup>1</sup>. Addressing this problem is important; both to ensure thousands of Australians do not face long-term exclusion from work, and to improve the long-term economic and fiscal outlook by avoiding the erosion of skills and job readiness caused by prolonged absence from the workforce.

### Challenge: Youth unemployment

Young people are particularly vulnerable to unemployment during periods of economic and labour market softness, as they tend to have less education, skills and experience than their older counterparts and are therefore often the first to be retrenched by employers in times of economic difficulty. The youth unemployment rate has risen above 12.9 per cent in 2015, as some young Australians entering the workforce struggle to find new jobs.

### Challenge: Boosting Indigenous employment

Indigenous Australians experience low labour force participation and employment rates, and high unemployment rates, relative to the rest of the Australian population. In 2012-13, 40 per cent of the Indigenous working age population was not in the labour force, compared with 20 per cent of the non-Indigenous working age population. Furthermore, even among those who are participating, the unemployment rate for Indigenous people was significantly higher than for all Australians, at 22 per cent compared with 5 per cent. Improving education and labour market outcomes for Indigenous Australians is a priority for the Australian Government.

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<sup>1</sup> Hidden unemployment refers to the phenomenon of workers who would like to work becoming discouraged by poor labour market conditions and dropping out of the labour force, in the technical sense that they are no longer seeking employment on a regular basis.

## **Challenge: Supporting job creation**

Job creation was slow following the Global Financial Crisis, with Australia's unemployment rate rising above 6 per cent. This partly reflects the challenge of managing structural change between industries with varying labour requirements. Job creation continued to improve in 2015, with the current employment growth rate of 2 per cent above the decade average rate of 1.7 per cent. However, there is further to go. Strengthening job creation will require a strong commitment to boosting economic growth.

The Australian Government believes as many Australians as possible should enjoy the dignity and self-respect that comes with work and self-sufficiency, and restoring the rate of jobs growth to a level which brings down unemployment is essential to achieving that end.

### 3. Current policy settings and new commitments

The Australian Government is putting in place a range of new policy measures aimed at improving economic growth and reducing unemployment. The Government has committed to create one million new jobs over five years and two million new jobs over ten years. By cutting business costs and red tape, reforming workplace relations to bring balance back to the system, strengthening incentives to work and investing in both physical infrastructure and human capital, Australia aims to deliver more jobs and growth and bring the rate of unemployment (particularly long-term unemployment) down.

#### Broad economic settings

Australia's commitments on broad macro and microeconomic policy will help to stabilise our economy, and create the conditions for private sector job creation. The Government's policy settings look to guide the budget back to a sustainable surplus at a responsible pace, lower business costs, boost incentives to invest and delivery productivity-enhancing infrastructure.

#### Macroeconomic policy

The Australian Government remains committed to delivering on its fiscal strategy. This strategy aims to achieve budget surpluses, on average over the course of the economic cycle and is underpinned by the following policy elements:

- Investing in a stronger economy by redirecting Government spending to quality investment to boost productivity and workforce participation.
- Maintaining strong fiscal discipline to reduce the Government's share of the economy over time in order to free up resources for private investment to drive job and economic growth. The Government will reduce the payments-to-GDP ratio, and pay down debt by stabilising and then reducing Commonwealth Government Securities on issue over time.
- Strengthening the Government's balance sheet by improving net financial worth over time.

More than two decades of sustained economic growth and low and stable inflation have reduced economic uncertainty and facilitated private investment in Australia. The macroeconomic policy framework has played an important role in fostering this macroeconomic stability. The main pillars of this framework are a flexible exchange rate, an open capital account, an inflation-targeting independent central bank and fiscal policy that is focused on transparency and medium-term sustainability.

Australia's Growth Strategy provides a more detailed overview of Australia's macroeconomic policy framework.

#### *Monetary policy*

Australia's current monetary policy stance is accommodative, with the target policy rate set at a historically low level of 2.0 per cent. This current target reflects a reduction of 0.5 percentage points since February 2015, with this judged to be the appropriate policy to support the economy while keeping inflation within the target range of 2 to 3 per cent, on average, over the economic cycle. Monetary policy stimulus is supporting demand and will help economic growth to strengthen over time.

#### *Fiscal policy*

Australia's national, state and territory governments are undertaking fiscal consolidation at a measured pace, restoring the structural integrity of government finances over the medium term without undermining the economy's transition to broader-based growth in the near term. In structural terms, the Australian Government's 2015-16 Budget reported that the budget deficit is expected to reduce each year in the forward estimates, and is projected to return to surplus in 2019-20. The Government has set itself a target of reaching a surplus of 1 per cent of GDP by 2023-24, consistent with the medium-term fiscal strategy of running surpluses on average over the course of the economic cycle.

The 2015-16 Budget, which was announced on 12 May 2015, was focused on building jobs, growth and opportunity. It carefully balances the need for investment to enhance Australia's prosperity – by redirecting spending towards investments that boost productivity and workforce participation – with the need to repair the budget in a responsible and fair way. The Budget also contains a number of measures that improve the fairness of the tax and benefits system.

### **Regulation, finance, incentives, investment, innovation and entrepreneurship**

The Australian Government makes the following policy commitments to increase competitiveness, reform regulation, strengthen incentives and support investment, innovation and entrepreneurship.

- Support small businesses and job creation through the \$A 5.5 billion Jobs and Small Business Package, including cutting the corporate income tax rate from 30 per cent to 28.5 per cent on 1 July 2015 for all businesses with an annual turnover under \$A 2 million.
- Invest \$A 50 billion in land transport infrastructure to 2019–20 and beyond. This contribution will support significant co-investment in new and upgraded infrastructure in partnership with state and territory governments and the private sector.
- Providing the right incentives and regulatory frameworks to enable businesses to access the resources they need to grow by building on the implementation of the Industry Innovation and Competitiveness Agenda.

The Australian Government believes that private enterprise and private investment are the key drivers of economic growth and national prosperity. Excessive regulation discourages business investment and entrepreneurialism, distorts investment decisions and damages productivity and jobs growth.

A key priority for the Australian Government is investing in jobs and growth. The Industry Innovation and Competitiveness Agenda (the Agenda) was introduced in late 2014, and lays the platform for this ambition by facilitating business competitiveness and focusing on our strengths. The Agenda has refocused industry policy away from supporting uncompetitive sectors to fostering industry growth and jobs through targeted investments in science and innovation. This is critical to ensuring Australia's competitiveness. It aims to build a culture of entrepreneurship that helps Australian industry and the science community work together to commercialise new products, processes and services. It also aims to make it easier and cheaper to do business in Australia, by reducing the burden of regulation and taxation, and opening the economy to greater domestic and international competition.

The Australian Government has implemented key flagship programmes that complement the Industry Innovation and Competitiveness Agenda including:

- The **R&D Tax Incentive** encourages industry investment in research and development by providing tax offsets for businesses undertaking eligible R&D activities. Over the forward estimates, the programme provides approximately \$A 10 billion in tax concessions for eligible R&D expenditure.
- The \$A 395 million **Entrepreneurs' Programme** works with entrepreneurs and small and medium businesses to improve their competitiveness and productivity; develop new commercially-viable ideas; and overcome barriers in bringing their ideas to reality. Practical advice provided by advisers and facilitators includes management skills; growth and training opportunities.
- The \$A 584 million **Cooperative Research Centres (CRC) Programme** supports industry-led collaborative research projects between researchers, industry and the community. The CRCs also promote cutting-edge research in universities and research institutions and provides science, technology, engineering and maths (STEM) graduates with hands-on industry experience.
- The \$A 225 million **Industry Growth Centres Initiative** aims to improve the productivity and competitiveness of five key growth sectors in the Australian economy (advanced manufacturing; food and agribusiness; medical technologies and pharmaceuticals; mining equipment, technology and services; and oil, gas and energy resources). Growth Centres will set the strategic vision for

their sector, and focus on improving collaboration and commercialisation; management and workforce skills; access to global supply chains; and regulatory burden.

The Government is also committed to cutting the costs on business from unnecessary regulatory burden, freeing business to create jobs while still achieving essential social and environmental goals. The Government's regulatory reforms are aimed at boosting competitiveness, productivity and job creation by reducing the regulatory burden that government imposes on businesses, community organisations and individuals. As of March 2015, the Government's regulatory reforms had reduced the cost of 'red tape' to businesses by \$A 1.6 billion, and a further \$A 800 million in reductions were planned.

According to the Global Competitiveness Index, taxation and regulation add significantly to the cost of doing business in Australia. The Government aims to strengthen incentives to invest, by reducing the costs of doing business and reforming the tax system; boosting job creation and increasing productivity and wages across all sectors. To achieve this, the Government plans to cut or abolish a range of taxes on business, and reduced the rate of company tax for all businesses with an annual turnover under \$A 2 million by 1.5 percentage points on 1 July 2015. The Government is also providing a 5 per cent tax discount for unincorporated small businesses.

The Government's Jobs and Small Business package announced in the 2015-16 Budget will help small businesses invest more, grow and employ more Australians. Over two million small businesses across Australia will be eligible for tax cuts, while improvements to business registration and expanded tax concessions on Employee Share Schemes will promote start-ups and energise entrepreneurship.

Investment in infrastructure is also a central part of the Government's jobs strategy. With resources sector investment forecast to ease over the next couple of years, Australia's strong investment in roads will help to fill the gap, creating jobs and improving infrastructure to support productivity and long-run growth. The Infrastructure Growth Package announced in the 2014-15 Budget will take the Government's total investment in transport infrastructure \$A 50 billion to 2019-20 and beyond. This investment, in partnership with state and territory governments and the private sector, will support significant co-investment in infrastructure projects across Australia. The package includes an Asset Recycling Initiative that will provide financial incentives to State and Territory governments to sell existing assets and reinvest the sale proceeds into additional productive economic infrastructure. This initiative has the potential to catalyse over \$A 30 billion of additional investment and contribute to the creation of a strong pipeline of projects.

## Labour markets and social protection

The Australian labour market has a range of areas for potential policy reform. This includes reforms to improve the efficiency of labour markets by restoring balance in the workplace relations system. There is also scope to examine Australia's social security system with a view to strengthening activation mechanisms and incentives to work, and ensuring everyone who can participate in work is required and encouraged to seek employment.

### Labour market regulation

The Australian Government makes the following commitments to improve the operation of Australia's workplace laws.

- Re-establish the Australian Building and Construction Commission, to strengthen the rule of law in the construction industry and reduce the cost of building projects.
- Establish a Registered Organisations Commission to improve the governance of unions and employer organisations, in the interests of both workers and businesses.
- Changes to improve bargaining over greenfields agreements for new work sites.
- Remove the ability for unions to take industrial action as a 'first resort' option.
- The Productivity Commission will provide the Government with a thorough analysis of the existing system of labour market regulation, and the impacts it has on the economy, productivity and jobs by November 2015, which will help inform future policy development.

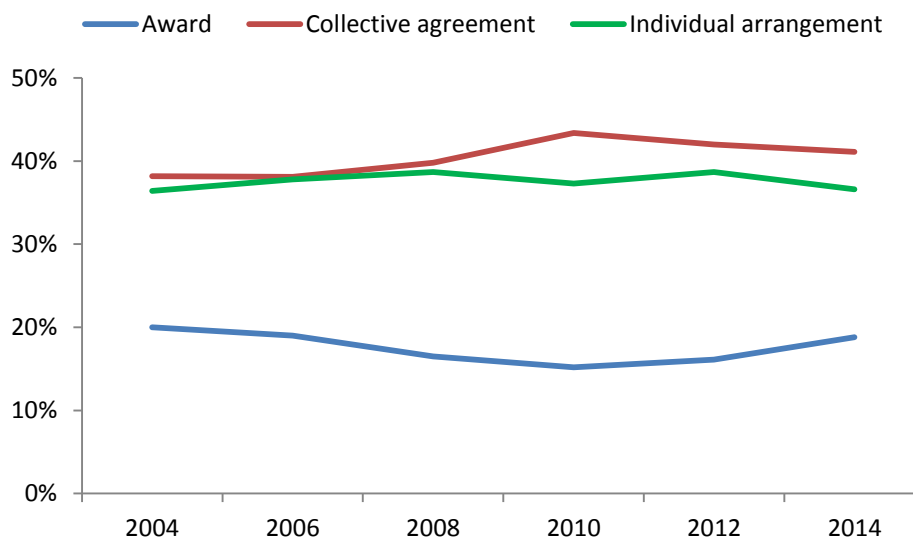
Australia's workplace relations system is unique in the developed world. While most of Australia's workforce has their wages and conditions set at the level of the individual enterprise, there is a safety net of awards providing for basic pay and conditions in all industries. The system is overseen by an independent body – the Fair Work Commission – which sets the minimum wages and working conditions in awards, and can act as an arbiter in industrial disputes.

Figure 1 shows the incidence of awards, individual arrangements (such as common law contracts) and collective agreements in the Australian labour market. This approach of decentralized bargaining between employers and employees underpinned by a safety net and an independent umpire has the benefit of allowing individual businesses to establish agreements that suit their specific circumstances, while providing employees with security in the labour market.

The Australian Government has established an independent review of the Fair Work laws, which will make recommendations on how the system can be further improved. The Australian Government will consider implementing recommendations which can help to boost growth and jobs, while balancing those goals against fairness and equity.

A more balanced workplace relations system in Australia will reduce the cost of doing business, and encourage investment and new jobs growth. Australia's policy commitments to strengthen bargaining and flexibility arrangements, and improve law and order in the construction sector, will work towards this end.

**Figure 1: Proportion of Australian workforce under different pay-setting arrangements**



Source: Australian Bureau of Statistics, *Employee Earnings and Hours, Australia*, May 2014 (cat. no. 6306.0)

### *Workplace safety*

Australia has a strong work health and safety regulatory framework. The development of nationally consistent work health and safety laws has sought to achieve greater consistency by merging nine legislative frameworks into one model package suitable for implementation in all Australian jurisdictions. The current model work health and safety laws were approved for adoption from 1 January 2012, and have been in seven of the nine Australian jurisdictions. Those jurisdictions that have not adopted the model laws have retained their original workplace health and safety legislation.

Australia has steadily improved its work health and safety performance over the last decade. Between 2003 and 2014 there was a 41 per cent decrease in the incidence rate of traumatic injury fatalities (see

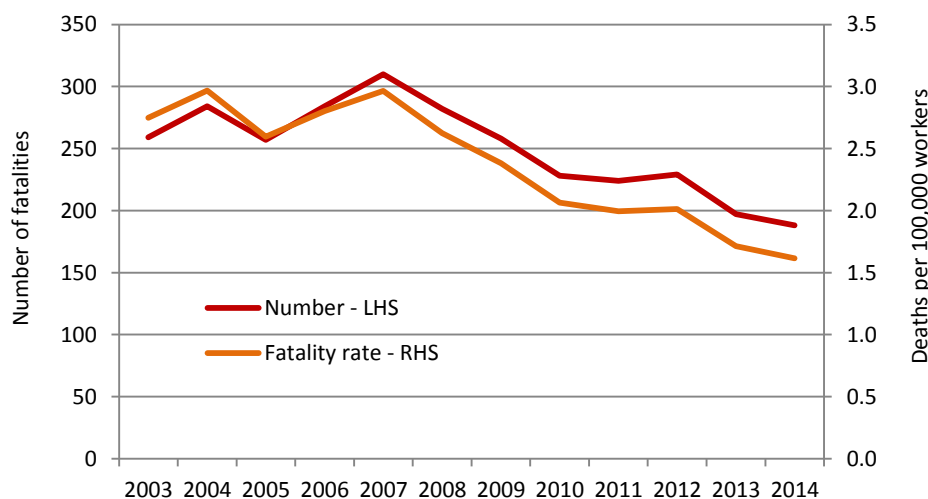
Figure 2). The rate of serious workers' compensation claims for injury and disease<sup>2</sup> has also declined by 32 per cent, from 16 claims per 1000 employees in 2000-01 to 11 in 2012-13.

The national, state and territory governments are currently finalising an examination of ways to improve the model work health and safety laws, with a particular focus on reducing regulatory burden. A full review of the model work health and safety laws is scheduled for 2016–17. There is also an ongoing focus on developing accessible and practical guidance to aid understanding and compliance, particularly for small business.

In terms of workers' compensation, all Australian jurisdictions provide no-fault coverage of eligible employees who are injured at work through statutory workers' compensation schemes. All Australian workers compensation authorities are working towards improving outcomes for injured workers, with a focus on a safe, timely and sustainable return to work.

Under the Australian Work Health and Safety Strategy 2012-2022, supply chains and networks are a national action area. The Australian Government is working with state and territory governments, industry and unions to promote improvements in work health and safety associated with the operation of supply chains. Over the course of the Strategy there will be a focus on disseminating information and advice on how improvements can be made in practice.

**Figure 2: Worker fatalities: number of fatalities and fatality rate, 2003 to 2014**



Source: Safe Work Australia. Work-related Traumatic Injury Fatalities (unpublished data), Australia, 2015

### Social protection

Australia has a comprehensive system of social protection involving unemployment benefits, disability and age pensions, family assistance, and a universal health insurance scheme. Australia's system of transfer payments differs from most advanced countries in that it is funded through general taxation rather than a system of social contributions, and is not generally dependent on prior participation in work. It is tightly means-tested, with income support benefits generally conditional on the incomes and assets of applicants. This provides generous support to those who are unable to work, while aiming to maintain incentives to seek employment for those who can work, coupled with activation measures.

There is scope for reforms to improve workforce participation, encouraging all Australians who are able to work to participate in the economic life of the community, and to improve the sustainability of the social protection system. The Government commissioned a review of the welfare system to strengthen work incentives. The report recommended a new, simpler system with a strong employment focus to

<sup>2</sup> Serious claims include injuries or diseases that result in one working week or more absence from work, excluding fatalities and claims relating to a journey to or from work or a recess period.

encourage people to work to their capacity, and strengthening individual, family and community capabilities.

Over the longer term, increasing the age of eligibility for access to the Age Pension and reducing the rate of indexation for other benefits will support labour force participation. Australians are living longer, healthier lives, and the number of people aged 65 and over is expected to more than double by 2055. Increasing the pension eligibility age will support workforce participation by mature age people, and help address the costs of an ageing population.

A 2014 Productivity Commission report into Childcare and Early Childhood Learning identified the need for changes to the current child care system to support increased workforce participation. In response, the Government announced the Jobs for Families package as part of the 2015-16 Budget. The Package is focussed on providing greater choice for Australian families by delivering a simpler, more affordable, more flexible and more accessible child care system with the objective of helping parents who want to work or work more.

The centrepiece of the Package is a new Child Care Subsidy, starting from 1 July 2017. The Child Care Subsidy will provide financial assistance to meet the cost of child care for parents engaged in work, training, study or other recognised activity. It will be better targeted than the current child care payments and provide more assistance for low and middle income families.

In addition to the Child Care Subsidy, the Child Care Safety Net will provide targeted assistance to child care services in disadvantaged communities and also disadvantaged or vulnerable families and children, to address barriers in accessing child care, while encouraging parents to enter and return to the workforce. A component of the Child Care Safety Net will provide additional assistance for families transitioning from income support to work and undertaking study or training.

### **Active labour market programmes**

The Australian Government makes the following commitments to improve active labour market programmes:

- Under the new employment services model, jobactive, a network of organisations will provide tailored recruitment services to employers and flexible support to job seekers based on needs.
- From November 2015, wage subsidies will be simplified and the timing of payments will be more flexible. Most wage subsidies available to employers who hire, train and retain eligible job seekers will be worth up to \$A 6500.
- Disability Employment Services (DES) will be enhanced by:
  - providing young people with support earlier
  - providing support to people working in an Australian Disability Enterprise to secure employment on the open labour market
  - providing increased support to DES participants assessed as having the capacity to work between 23 and 29 hours a week
  - developing an online service centre, through a new JobAccess Gateway, will be developed for people with disability and employers.
- A one-year trial of a participant-driven employment assistance model for up to 200 young job seekers with mental illness in DES.

Australia's system of public employment services is run through a decentralised model, involving private and community sector providers delivering services funded by the Australian Government. The providers operate in a 'managed market', with incentives and reward payments for providers who succeed in placing job seekers in work. The system is 'streamed', with more generous services for those job seekers identified as facing greater barriers to finding work. There are three main open employment programmes: jobactive for mainstream job seekers, Disability Employment Services for people with disability or health condition, and the Community Development Programme for job seekers in remote areas.

The Government implemented fundamental reforms to Australia's employment services in 2015 to improve job outcomes for unemployed Australians. The key objective of the new jobactive employment

services model is to promote stronger workforce participation by people of working age and help more job seekers move from welfare to work. To achieve this, the new model reinforces the principle of Mutual Obligation, targets assistance to job seekers needing the most help, improves the support that is available for businesses, fosters and rewards results rather than processes, and ended the process of ‘training for training’s sake’ as an alternative to employment outcomes.

Disability Employment Services (DES) was introduced in March 2010 with a strong focus on sustainable employment. DES providers are contracted to deliver uncapped employment services for job seekers with disability and their prospective employers. This service includes individualised, tailored assistance with an emphasis on employment, skills development, education and training, and informed choice. DES has an outcomes-focussed fee structure and ongoing support in the workplace available for people who need support to retain their job.

These programmes are supported by other initiatives designed to encourage job seekers into work and improve their employability. Australians aged 18 to 30 who have been unemployed for 12 months or more will receive a \$A 2,500 Job Commitment Bonus if they commence work and remain in a job and off welfare for a continuous period of up to 12 months, along with a further \$A 4,000 if they remain in a job and off welfare for up to 24 months. An expanded Work for the Dole programme requires young people to participate in work-like activities for 25 hours per week for six months in every year in exchange for income support. Mature aged job seekers are encouraged to re-enter the workforce through the Restart programme. This programme provides a wage subsidy of up to \$A 10,000 to employers who hire an eligible mature age job seeker on a full-time basis for 12 months, with this payment being pro-rated for those who are employed on a part-time basis.

The Australian Government has established a Disability Employment Taskforce in response to Australia’s poor employment outcomes among people with a disability, where only 52.9 per cent of people are participating in the workforce. The Taskforce will review the current disability employment services with a view to establishing a new National Disability Employment Framework for 2018 and beyond to improve outcomes. The new Framework would be more individualised and career focused, and invest in people to deliver what employers need. The Framework will take account of the full implementation of the National Disability Insurance Scheme in 2018-19 and the expiry of current DES contracts in March 2018.

### **Policy measures targeting labour market disadvantage**

Australia takes a holistic approach to addressing issues of labour market disadvantage and equity. A range of groups face multiple barriers to participation in the labour market, including Indigenous Australians, women, people with disability, youth, the long-term unemployed, mature age Australians and people living in regions. The Australian Government works to address all of these issues through policies, programmes and anti-discrimination regulations.

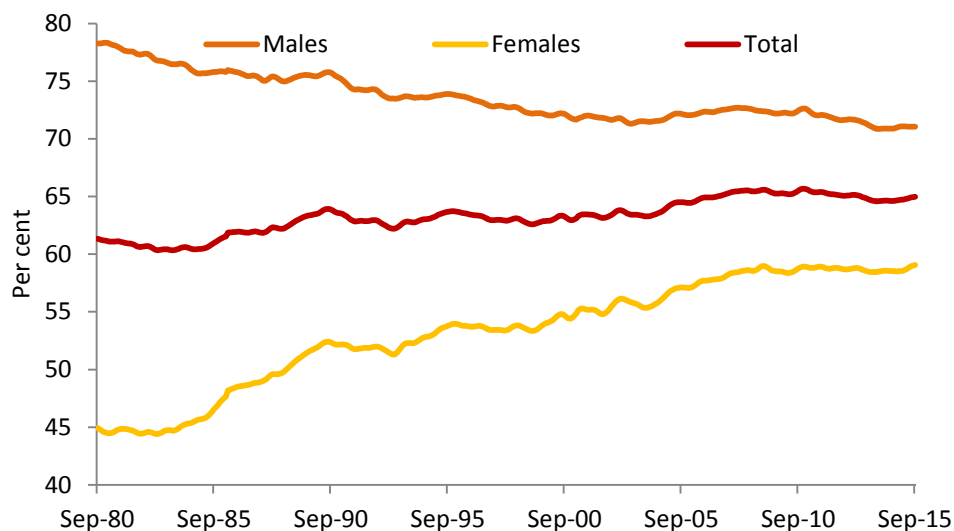
#### *Women*

The Australian Government makes the following policy commitments to improve women’s economic participation:

- A new Child Care Assistance Package will deliver a more affordable, flexible and accessible child care system helping parents, especially mothers, who want to work or work more.
- Reforming family payments by reducing the primary income threshold for eligibility for Family Tax Benefit Part B from \$A 150,000 to \$A 100,000 per annum.
- A Supporting Parents to Plan and Prepare for Employment measure will help parents undertake activities in preparation for returning to employment when their youngest starts school.
- Producing a comprehensive Tax White Paper. A key theme guiding the White Paper is improving incentives to work. It will examine the disincentives in the tax and transfer system, particularly for women with children.

While the gap between male and female labour force participation has narrowed over recent decades (see Figure 3), there are significant economic and social gains to be made from increasing women's participation further. Greater labour force participation can benefit women's family lives, retirement incomes, skills development and economic security, including their superannuation balances.

**Figure 3: Male and female labour force participation in Australia**



Source: Australian Bureau of Statistics, *Labour Force, Australia*, September 2015 (cat. no. 6202.0)

In response to a 2014 Productivity Commission report into Childcare and Early Childhood Learning, which identified the need for changes to the child care system to support workforce participation, the Government announced the Jobs for Families Package as part of the 2015-16 Budget. The Package is focussed on providing greater choice for Australian families by delivering a simpler, more affordable, more flexible and more accessible child care system with the objective of helping parents who want to work or work more. The Package will be delivered progressively from January 2016 with the commencement of the Nanny Pilot Programme, with other elements commencing through 2016 and into 2017.

Reforming the income support system to encourage women who can work to seek employment is also an important way to promote workforce participation. Adjusting eligibility for Family Tax Benefit Part B by limiting it to parents with a youngest child aged 12 or younger (16 or younger for single parents and couple grandparents) and lowering the primary earner income test threshold from \$A 150,000 to \$A 100,000 will encourage secondary earners to increase hours worked. Low income single parents will retain access to income support and Family Tax Benefit Part A.

Supporting employers to achieve gender equality in the workplace is also important. In February 2015, the Government made changes to the Workplace Gender Equality Reporting Framework, streamlining reporting requirements for employers with more than 100 employees to monitor and assess their gender equality performance.

In July 2015, the Government launched the *Supporting Working Parents* website and online resources which provide comprehensive information for employers and employees on workplace rights and obligations in relation to pregnancy, parental leave and return to work. Addressing the gap between the law and workplace practices was identified as the most effective strategy to reduce discrimination.

A new Supporting Parents to Plan and Prepare for Employment measure will commence on 1 April 2016, to help parents living in disadvantaged areas to undertake activities that prepare them for returning to employment by the time their youngest child goes to school. From 1 November 2015, employers that hire a parent who has been in employment services for six months or more will be eligible for a wage subsidy of up to \$A 6,500 over 12 months.

*Youth*

The Australian Government makes the following policy commitments to address youth unemployment.

- The Government will provide over \$A 300 million to implement a Youth Employment Strategy to prevent young people from becoming long-term unemployed.
- Job-ready job seekers aged under 25 will be subject to a four-week waiting period, including a requirement that they undertake pre-benefit activities, before they can receive income support.
- Job Commitment Bonuses totaling \$A 6,500 are available to job seekers who find a job and remain off welfare for a continuous period of up to 24 months.
- Job seekers will be able to undertake work experience for up to four weeks while they continue to receive income support, as part of a new National Work Experience Programme.

The Government is taking action to reduce youth unemployment. The Youth Employment Strategy aimed at employers and young job seekers includes a new Transition to Work programme service that will assist young people aged 15-21 who have disengaged from work and study and are at risk of long-term welfare dependence, particularly early school leavers.

Innovative models of intensive support will be trialled for key groups of vulnerable job seekers, including disadvantaged young people aged 15-24 with mental health concerns and vulnerable young migrants. The Government is also strengthening requirements for Early School Leavers aged 15-21 to ensure they are undertaking activities that maximise their chances of finding and keeping a job. Intensive, pre-employment support will be provided to improve the work readiness of young people and to help them into work (including Apprenticeships or Traineeships) or education.

The Government is working to increase the level of job-ready young people achieving employment outcomes and is replacing the previously announced six-month waiting period for young people under 30 with a four-week waiting period for job-ready young job seekers under 25 years of age. This new waiting period will establish clear expectations for job ready young people to accept available jobs, or move into education and training. Young people identified as facing specific barriers to work will not be required to serve the waiting period. Young people who return to full-time study will be able to access student payments, without a four-week waiting period in recognition of the importance of education and training in preventing future unemployment.

Young job seekers aged under 25 will also be required to complete pre-benefit activities within four weeks of applying for income support to help them find work and to demonstrate their commitment before receiving payment. These activities are designed to improve their job readiness and enhance their chances of finding employment.

Subject to the passage of legislation, from 1 July 2016, the minimum age of eligibility for Newstart Allowance and Sickness Allowance will be increased from 22 years to 25 years of age. New job seekers under 25 will instead be eligible for Youth Allowance, which is paid at a lower rate, placing all under 25 year olds on the same payment level, whether they are unemployed or studying full-time.

*Indigenous people*

The Australian Government makes the following policy commitments to address Indigenous unemployment.

- The Council of Australian Governments has in place a target to halve the employment gap between Indigenous and non-Indigenous Australians by 2018.
- The 2014-15 Budget invested \$A 4.8 billion to replace more than 150 individual programmes and services with five streamlined broad-based programmes under an Indigenous Advancement Strategy. Within the Jobs, Land and Economic Development Programme, the Australian Government is providing funding for both remote and mainstream employment initiatives including:
  - \$A 1.5 billion over three years to assist all job seekers in remote regions to participate in their community while preparing them to be job-ready. Funding also includes the development of Indigenous small business in remote areas of Australia.
  - Up to \$A 45 million to support new employer demand-driven Vocational Training and Employment Centres (VTECs).
  - Demand-driven funding to support local initiatives aimed at increasing job opportunities.

The vast majority of Indigenous job seekers are serviced by the mainstream employment service, jobactive. As the majority of Indigenous job seekers face more barriers to employment on average, they receive a higher level of servicing. Furthermore, there are a number of incentives to encourage effective servicing of Indigenous job seekers by jobactive providers including early access to a wage subsidy of up to \$A 6,500 after only six months in employment services. The jobactive model also features, for the first time, targets for increasing Indigenous employment outcomes which form part of employment providers' ongoing performance assessments.

To date, more than 4,000 Indigenous Australians have been guaranteed jobs through contracts signed with Vocational Training and Employment Centres (VTECs). These centres have been set up to provide support and employment to Indigenous job seekers in regions such as the south coast and Hunter regions of New South Wales, the Kimberley and the Pilbara in Western Australia, and north and central Queensland, as well as the capital cities.

Australian job seekers residing in remote regions receive employment assistance under the Community Development Programme (CDP). Around 85 per cent of CDP participants are Indigenous – many of whom reside in discrete small communities significantly distant from strong labour markets and services. The Government recently introduced a number of reforms to employment services in remote regions that further encourage job seekers to participate in work-like activities that help build their skills, and benefit their community. These activities allow job seekers to make a contribution to their communities, make them job-ready and place them on a pathway to employment. The reforms also provide incentives to employers in remote areas to look to remote job seekers to meet their workforce needs.

More than 3,000 Indigenous Australians have commenced in VTEC and are being trained for a guaranteed job. Of these 3,000 job seekers just over 2,000 have commenced in a job and are tracking towards a 26 week outcome. VTECs have been set up to provide support and employment to Indigenous job seekers across both mainstream and remote areas of Australia.

The Government is also working with large employers through the Employment Parity initiative to increase the number of Indigenous Australians employed in the private sector, with a target of 3 per cent of their employees being Indigenous by 2020, an increase of approximately 20,000 people. The Employment Parity Initiative aims to increase long-term employment for Indigenous Australians through an initial target of 20,000 Indigenous jobs by 2020. The Employment Parity Initiative targets companies with a significant national footprint which have the capacity to employ 400 Indigenous Australians or more over four years and which have a demonstrated commitment to workplace diversity and creating employment parity for Indigenous Australians.

A recent review of Indigenous Training and Employment Programmes has recommended a number of reforms aimed at improving employment and training services. The Government has unveiled two new

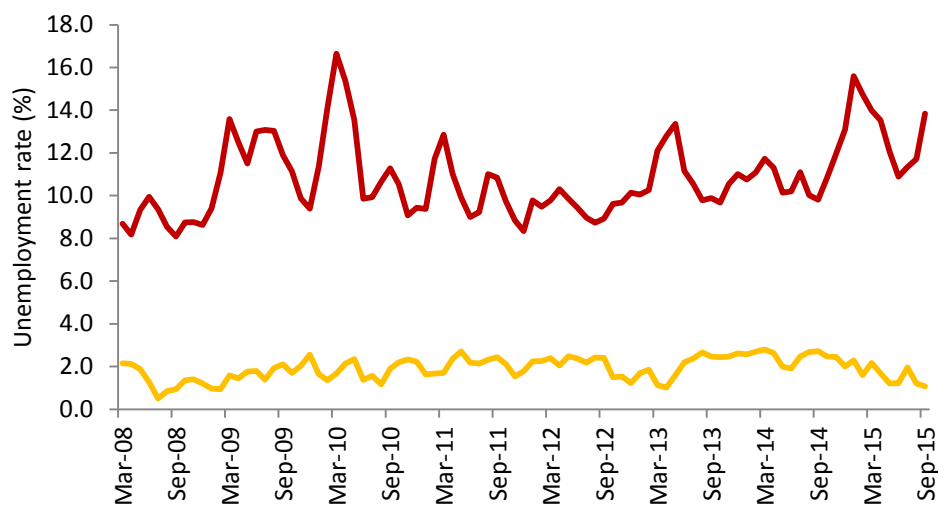
reforms to significantly increase the development and growth of Indigenous businesses and employment. The Government is seeking to increase the proportion of Indigenous employees in the public sector by up to three per cent by 2018. A target of three per cent of Federal Government procurement contracts with Indigenous suppliers was also announced in March 2015.

### Regional areas

Regional unemployment rates vary widely in Australia (see Figure 4 below). Young people's engagement work or study tends to decline as remoteness increases.

The Government is seeking to strengthen activation requirements and encourage the long-term unemployed to move to new areas of opportunity. The Relocation Assistance to Take Up a Job programme is designed to encourage labour mobility by providing relocation assistance. The programme provides practical and financial assistance to job seekers to relocate to take up ongoing work and to support employers by matching workers from outside their local areas. Job seekers who have been unemployed for 12 months or more are eligible for up to \$A 6,000 if they move to a regional area to take up a new job, or up to \$A 3,000 if they move to a capital city to take up a new job. Families with dependent children are eligible for up to an extra \$A 3,000 to help cover the additional costs of relocation. Funding is flexible and can be used for a range of relocation-related purposes such as two months' rent, removalist and travel costs.

**Figure 4: Regional unemployment disparity – highest and lowest unemployment rates**



Note: Data are three month averages of original estimates

Source: Australian Bureau of Statistics, *Labour Force, Detailed - Electronic Delivery*, September 2015 (cat. no. 6291.0.55.001)

### Manufacturing workers

The Australian Government makes the following policy commitments to support workers in industries facing structural decline.

- A \$A 155 million Growth Fund is providing support to automotive workers during their transition to new jobs and accelerating private sector investment in regions facing pressure on their manufacturing sectors.
- Employment support to redundant workers through structural adjustment packages such as the Automotive Industry Structural Adjustment Programme; the Textile, Clothing and Footwear Structural Adjustment Programme and the BlueScope Steel Structural Adjustment Programme.

The Australian Government supports redundant workers to find alternative employment with immediate access to through a range of programmes such as jobactive, as part of an adjustment package tailored to that industry.

Manufacturing employment has been in general decline over recent decades, with automotive manufacturers set to close their Australian facilities in the next few years. To address the labour market consequences of these closures, the Government has announced a package to support job creation in regions facing significant job losses. This is in addition to the wide range of labour market services and programmes already provided by the Australian Government to unemployed job seekers.

A number of regional and remote areas have undergone a transition from being predominantly agricultural to having a greater focus on mining and construction. Other areas have seen a decline in agriculture that has not been offset by growth in mining. There will be employment effects as the mining industry transitions from the investment phase.

The Government's wide ranging industry initiative includes a \$A 155 million Growth Fund to transition automotive workers to new jobs and accelerate private sector investment in South Australian and Victoria. The Growth Fund will help workers build on existing skills and gain new skills that are transferable to other sectors, such as health services, tourism, education, food and agriculture and advanced manufacturing.

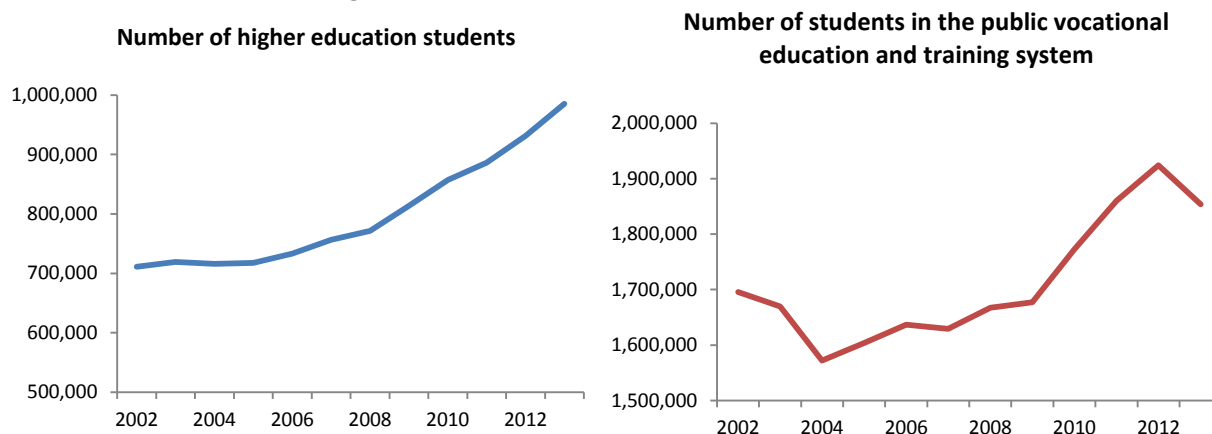
## Skills development

The Australian Government makes the following policy commitments to improve skills development.

- The Industry Skills Fund, to streamline training and better position Australian industry to succeed in a rapidly changing global economy, will deliver targeted training places and training support services over four years.
- The Government is placing industry at the heart of Australia's vocational education and training (VET) system as part of its VET agenda. The agenda is focused on improving job outcomes from skills training, lifting the quality of skills training, and raising the status of skills training as a pathway to a rewarding and highly-valued career.
- The Government is investing \$A 1.4 million in the Skills Checkpoint for Older Workers Pilot to trial the delivery of free skills analysis and career advisory services tailored to employed workers aged 45 to 54. These services will help this cohort assess where they are in their careers and offer guidance if a change in career direction is needed or desired.

Australia has a universal system of public schools, and broad vocational and higher education systems. The Australian Government plays a central role in the funding of all three tiers of education, and policy reform to strengthen education and training is ongoing. Educational attainment has increased rapidly in recent decades, and near-record numbers of students are enrolled in post-school education and training (see Figure 5).

Over recent decades, growth in demand for skilled labour has outstripped growth in demand for unskilled labour, both in Australia and in most other developed countries. Basic schooling remains essential to foster economic growth, as a workforce with a high level of foundation skills (such as literacy and numeracy) is more able to adapt to the dynamic shifts in the demand for skills that are typical of a modern economy. Investing in higher level skills is also essential, to foster productivity growth and support the strong service and primary industries Australia needs into the future.

**Figure 5: Enrolments in post-school education**

Source: Department of Education and Training, *uCube – Higher Education Data Cube*; National Centre for Vocational Education Research, *Government-funded students and courses 2014*

## School education

The Government has introduced a range of funding and policy measures that will support improved outcomes for all Australian students. Significantly, since 2014, funding for government and non-government schools is determined on the same basis through a base per student amount plus extra funding to target disadvantage such as for students from lower socioeconomic backgrounds, students with disability, Aboriginal and Torres Strait Islander students, and for school size and location.

The Government recognises that while funding is important, national and international research indicates that it is not a sufficiently effective driver of improved outcomes by itself – countries that spend a high proportion of the GDP on education do not automatically produce high performing education systems. As a result, Australia's needs-based funding approach is supported by a focus on four key areas which have a significant impact on student achievement:

- teacher quality;
- school autonomy;
- engaging parents in education; and
- strengthening the curriculum.

International evidence shows that clear accountability for school results helps create a learning environment that encourages innovation and excellence from school leaders, teachers and students. Greater access to information has been shown to inform better decision making, enabling teachers, parents and students to make better informed choices about children's education. The Australian Government is investing in an improved performance information system to ensure quality data is available to track progress, inform policy development, evaluate interventions and hold education systems to account.

## Apprenticeships, vocational training and higher education

### Apprenticeships

The Australian Apprenticeships system supports skills formation in an employment context. As well as providing funding to state and territory governments to support apprenticeship training, the Australian Government also funds a range of incentives and personal benefits for employers and apprentices. The Government from 1 July 2015 established the Australian Apprenticeship Support Network, with up to \$A 200 million annual investment, to deliver a new generation of support services to Australian Apprenticeships participants to lift apprenticeship completion rates.

The Government is also supporting those learning a trade by providing concessional income contingent Trade Support Loans of up to \$A 20,000 over the life of an apprenticeship to assist with the cost of undertaking an apprenticeship.

### Vocational education and training

Australia's vocational education and training (VET) system operates nationally by agreement between the Commonwealth, state and territory governments with input from industry. Governments provide funding, develop policies and contribute to regulation and quality assurance of the sector. Industry and employer groups contribute to training policies and priorities, and in developing qualifications that can deliver skills to the workforce.

The Australian Government provides significant funding to states and territories for VET. However, state and territory governments are responsible for the training systems within their jurisdictions, including student eligibility and access to public subsidies, and the setting of strategic priorities for the delivery of courses and qualifications.

The Government's VET policy agenda includes implementing new arrangements for developing and maintaining nationally-recognised and quality-assured competency standards and qualifications, to ensure they are driven by the needs of modern Australian workplaces. It also includes the establishment of the industry-led Australian Industry and Skills Committee to both provide industry with a formal role in policy development and oversee the national training system.

### Higher education

The higher education sector is predominantly public, and funded through a combination of student contributions and government support – primarily from the Australian Government. A system of subsidised student loans – the Higher Education Loan Programme (HELP) – allows students (including those on low incomes who may otherwise be deterred by the cost) to defer fees while allowing limited public resources to be spread over a greater number of students.

The Australian Government is seeking to implement changes to higher education to create a system that is higher in quality, more accessible, more competitive and more sustainable.

To achieve these objectives, the Government remains committed to delivering policies that ensure our higher education sector delivers the educational opportunities and research outcomes Australia needs to succeed in the future. The Government is consulting with students, their parents, institutions, employers, Senators and other stakeholders to ensure ongoing, fair and sustainable support for an adaptive, world-class higher education system, with equitable access for students.

## 4. Report on the implementation of Australia's G20 Employment Plan

### A. Key economic and labour market indicators

Table 3: Key economic and labour market indicators

Key indicator	2008	2013	2014
GDP growth (real)	2.8	2.1	2.7
GDP per capita (2010 \$US constant price in PPPs)	\$US 41,863	\$US 43,842	\$US 43,978
Employment growth	2.8	1.0	0.9
Employment-population ratio (for 15-64)	62.7		60.7
Unemployment rate	4.2	5.7	6.1
Incidence of long-term unemployment	14.9	19.1	21.8
Participation rate (for population aged 15-64)	76.5	76.4	76.3
Participation rate (for population aged 55-64)	58.9	63.9	64.1
Participation rate (for population aged 65+)	9.4	12.1	12.3
Informal employment as a share of total employment	-	-	-
Temporary employment as a share of total employment	-	-	-
Sectoral composition of employment (as a % of total employment)			
• Agriculture	3.2	2.6	2.8
• Construction	9.2	8.8	9.0
• Manufacturing (including mining)	12.4	11.7	11.4
• Services	75.1	76.9	76.8

Source: ILO and OECD calculations for the G20 Employment Working Group

### B. Key policy indicators

Table 4: Key policy indicators

Key indicator	2008	2013	2014
Gini coefficient (income Gini)	0.336	0.324 <sup>1</sup>	0.333 <sup>2</sup>
Poverty (% below National poverty line)	13.2 <sup>3</sup>	13.8	n/a
Minimum relative to average wages of full-time workers	45.0	44.0	n/a
Collective bargaining coverage (% workers) (a)	54.0	61.0	n/a
Labour income share (%)	54.8 <sup>3</sup>	53.6	n/a
Non-agricultural labour income share (%)	55.4	56.0	n/a
School completion rate (year 12 attainment)	83.3	85.6	85.3
Social protection (% of elders receiving pension)	82.7 <sup>3</sup>	n/a	n/a
Social protection (% of workers covered by unemployment benefits)	62.6	60.1 <sup>2</sup>	n/a

1. Data is for 2012; 2. Data is for 2014; 3. Data is for 2007.

Source: ILO and OECD calculations for the G20 Employment Working Group, unless otherwise indicated.

(a) ILOSTAT. Estimations based on administrative, collective agreements and awards.

## C. Checklist of commitments

The following table provides a summary of the implementation of commitments made in Australia's G20 Employment Plan. See the Employment Plan for further detail on the policy commitments than is shown below.

**Table 5: Checklist of Commitments in Employment Plan**

	Policy Commitments	Implementation Status	Comments
<b>Macroeconomic policy</b>			
1	<ul style="list-style-type: none"> <li>To achieve budget surpluses, on average, over the course of the economic cycle.</li> <li>Investing in a stronger economy by redirecting Government spending to quality investment to boost productivity and workforce participation.</li> <li>Maintaining strong fiscal discipline to reduce the Government's share of the economy over time in order to free up resources for private investment to drive job and economic growth.</li> </ul>	The Australian Government is making good progress on implementing measures to improve its fiscal position and strengthen economic growth. The task of medium term fiscal repair is being balanced with new spending and lower taxes that are better targeted to boost productivity and participation.	Progress in implementing these macroeconomic policy commitments is discussed in greater detail as part of the reporting on Australia's G20 Growth Strategy.
<b>Regulation, finance, incentives, investment and entrepreneurialism</b>			
2	<ul style="list-style-type: none"> <li>Cut the cost to business of 'red and green tape' by \$A 1 billion by September 2014.</li> <li>Abolish the carbon and mining taxes</li> <li>From 1 July 2015, cut the corporate income tax rate from 30 per cent to 28.5 per cent for all businesses with an annual turnover under \$A 2 million.</li> <li>The Government is also providing a 5 per cent tax discount for unincorporated small businesses from 1 July 2015.</li> <li>Invest \$A 50 billion in land transport infrastructure to 2019–20 and beyond. In combination with contributions from state and territory governments and the private sector, this is a substantial investment in new and upgraded infrastructure.</li> </ul>	The Australian Government is making good progress in implementing these commitments. The Australian Government legislated the tax cuts for small business in May 2015.	Progress in implementing these policy commitments is discussed in greater detail as part of the reporting on Australia's G20 Growth Strategy.

	Policy Commitments	Implementation Status	Comments
	<ul style="list-style-type: none"> <li>Providing the right incentives and regulatory frameworks to enable businesses to access the resources they need to grow by building on the implementation of the Industry Innovation and Competitiveness Agenda.</li> </ul>		
<b>Labour market regulation</b>			
3	<ul style="list-style-type: none"> <li>Changes to improve bargaining over greenfields agreements for new work sites.</li> <li>Remove the ability for unions to take industrial action as a 'first resort' option.</li> <li>Re-establish the Australian Building and Construction Commission, to strengthen the rule of law in the construction industry and reduce the cost of building projects.</li> <li>Establish a Registered Organisations Commission to improve the governance of unions and employer organisations, in the interests of both workers and businesses.</li> <li>The Productivity Commission will be tasked to undertake a thorough analysis of the existing system of labour market regulation, and the impacts it has on the economy, productivity and jobs. This review will help to inform the development of future policy in this area.</li> </ul>	<p>Legislation to implement improved greenfields agreement negotiations and remove the ability for unions to take industrial action as a 'first resort' option was passed by the Senate on 13 October 2015, and is to be considered by the House of Representatives.</p> <p>Legislation to introduce a Registered Organisations Commission and re-establish the Australian Building and Construction Commission was voted down by the Senate on 17 August 2015.</p> <p>The Productivity Commission was tasked with the review in December 2014, and the Commission released its draft report for public consultation on 4 August 2015. The final report will be provided to the Australian Government in November 2015.</p>	<p>The Australian Government will consider the recommendations made in the Productivity Commission's final report once it is finalised, and will seek a mandate to implement any of the recommended reforms to Australia's workplace relations laws at the next federal election.</p>

<b>Active labour market programmes</b>			
4	A new employment services model will be introduced on 1 July 2015 for most job seekers	The new jobactive employment services model was implemented on 1 July 2015	
5	Stronger Mutual Obligations will require job seekers aged up to 30 to complete 650 hours over 26 weeks (25 hours per week) and job seekers aged 30 and up to 60 to complete 390 hours over 26 weeks (15 hours per week) of an eligible activity. Job seekers under 50 years of age will undertake Work for the Dole as the principal activity.	Implemented on 1 July 2015	
6	Employment service providers will be able to offer employers a subsidy of up to \$A 6,500 to hire, train and retain a job seeker who has been unemployed for 12 months or more. Employers will be eligible for the first wage subsidy payment of up to \$A 3,250 after the job seeker is employed for six months with a second payment of up to \$A 3,250 after 12 months.	<p>The wage subsidies were re-designed as part of the 'Growing Jobs and Small Business' package announced on 12 May 2015 in the Australian Government's 2015-16 Budget.</p> <p>The wage subsidy changes will start on 1 November 2015.</p>	<p>Funding for all wage subsidies will be combined into a national pool. From 1 November 2015, eligible employers will receive up to \$A 6,500 over 12 months if they hire an eligible job seeker who is under 30 years of age, an Indigenous Australian, or a parent and been registered with Australian Government employment services for six months or more, or mature age and unemployed and on income support for six months or more. Employers of mature age job seekers under the Restart programme will receive up to an additional \$A 3,500 after 12 months employment, or \$A 10,000 in total.</p> <p>For all other job seekers, employers will be eligible for a wage subsidy if the job seeker has been registered with Commonwealth employment services for 12 months or more.</p> <p>Employers will be able to receive wage subsidy payments from the time the job seeker starts in the job and receive regular instalments to meet their business needs. The amount and timing of payments will be negotiated between the employer and employment services provider.</p>

<b>Women</b>			
7	From 1 July 2015, a new universal paid parental leave (PPL) scheme will provide up to 26 weeks of support at the mother's replacement wage, up to an annual wage rate of \$A 100,000.	<p>The enhanced PPL scheme is no longer proceeding.</p> <p>The Government will redirect funds to support early childhood education and care and to repair the Budget.</p>	<p>The existing PPL scheme will continue to provide support for eligible mothers to take time off work to care for a newborn or recently adopted child.</p> <p>Subject to the passage of legislation, from 1 July 2016, mothers receiving employer-provided paid maternity leave at a value greater than the total value of PPL will no longer be able to receive PPL. Employees who receive less than the total value of PPL from their employer schemes will receive a partial payment of PPL up to the value of PPL.</p> <p>The Jobs for Families Package, announced in the 2015-16 Budget, aims to help parents who want to work or work more. It is focused on providing greater choice for families by delivering a simpler, more affordable, more flexible and more accessible child care system.</p>
8	Family payments will be reformed, including by tightening eligibility for Family Tax Benefit Part B (FTB-B). From 1 July 2015 families will no longer receive this payment when their youngest child turns six.	Legislation to limit Family Tax Benefit Part B to families with a youngest child aged under six is subject to Parliamentary consideration.	On 21 October 2015, the Australian Government announced that it would amend the measure so that Family Tax Benefit Part B to families with a youngest child aged under thirteen, rather than six. Legislation is subject to Parliamentary consideration.
9	The primary income threshold for eligibility for FTB-B will also be reduced from \$A 150,000 to \$A 100,000 per annum.	Implemented on 1 July 2015	

Youth			
10	The Government will introduce an expanded Work for the Dole programme for young people.	Implemented on 1 July 2015	
11	From 1 January 2015, young Australians aged up to 30 years with full work capacity will be subject to a waiting period of up to 6 months, after which time they will be required to undertake Work for the Dole activities before they receive income support. Those who take up approved full-time study will qualify for student income support, which will not be subject to this policy.	Measure replaced  As part of the 2015-16 Budget, the Australian Government announced that the income support element of the Stronger Participation Incentives for Job Seekers aged Under 30 would no longer proceed.	The measure has been replaced by the Four-Week Waiting Period/Rapid Activation for job-ready job seekers aged under 25. From July 2016, job-ready job seekers under 25 would serve the waiting period in which they would be required to do pre-benefit activities that help them prepare and find work.
12	From 1 July 2014, young Australians aged 18 to 30 years who have been unemployed for 12 months or more will receive a \$A 2,500 Job Commitment Bonus if they commence work and remain in a job and off welfare for a continuous period of up to 12 months, along with a further \$A 4,000 if they remain in a job and off welfare for up to 24 months.	Implemented on 1 July 2014	
13	The Government has introduced generous Trade Support Loans to ensure Australian apprentices will have the support they need to take up a trade and complete their training.	The programme was implemented on 1 July 2014.	
14	The Government will support additional higher education students.	This measure has not yet been passed by Parliament.	The Government is seeking to implement changes to higher education to create a system that is higher in quality, more accessible, more competitive and more sustainable. Current higher education funding arrangements remain in place while the Government consults further with the higher education sector and other stakeholders on reforms for the future.

Indigenous people			
15	The Council of Australian Governments has in place a target to halve the employment gap between Indigenous and non-Indigenous Australians by 2018.	No progress on the target since November 2014	The Closing the Gap Report 2015 noted that there has been widening of the employment gap since 2008, from 21 to 28 percentage points. This was mainly driven by policy changes to cease non-remote Community Development Employment Projects (CDEP). The decline in CDEP participants between 2008 and 2012-13 accounted for 60 per cent of the decline in the Indigenous employment rate over this period.
16	The 2014-15 Budget invests \$A 4.8 billion to replace more than 150 individual programmes and services with five streamlined broad-based programmes under an Indigenous Advancement Strategy. Employment initiatives fit within the Jobs, Land and Economy Programme (JLEP).	Measure underway.	There are several new initiatives within JLEP: <ul style="list-style-type: none"> <li>- The <u>Community Development Programme</u> to deliver better participation and employment opportunities across remote areas</li> <li>- <u>Vocational Employment and Training Centres</u> to secure more than 5,000 sustainable jobs and provide job specific training and support services to job seekers</li> <li>- <u>Employment Parity Initiative</u> to increase the number of larger companies working towards, meeting or exceeding parity levels of employment including the achievement of a further 20,000 jobs by 2020</li> <li>- <u>Australian Public Sector Targets</u> to increase the number of Aboriginal and Torres Strait Islander people employed in the public sector</li> <li>- <u>Commonwealth Indigenous Procurement</u> which requires at least 3% of all new domestic Commonwealth contracts to be awarded to Indigenous businesses by 2020</li> <li>- <u>Environmental management plans</u> that support land and sea management, creating employment.</li> </ul>

17	Indigenous Outcomes Targets	Measure underway.	These are an important component of the jobactive Performance Framework. The targets are intended to drive stronger employment outcomes for Indigenous job seekers and ensure that providers are achieving outcomes for these job seekers at the same rate as other job seekers in their region.
<b>Support for workers in industries facing structural change</b>			
18	The Government has implemented a \$A 155 million Growth Fund to transition automotive workers to new jobs and accelerate private sector investment in regions facing pressure on their manufacturing sectors.	This measure is in place.	
19	The Government also provides employment support to redundant automotive workers through the Automotive Industry Structural Adjustment Programme.	The Automotive Industry Structural Adjustment Programme is in place and will continue into the 2017-18 financial year.	
<b>Skills development</b>			
20	Further deregulation of the higher education sector will be achieved by removing fee caps and expanding the demand-driven system to bachelor and sub-bachelor courses.	Legislation to implement this commitment has been submitted to Parliament, but has not yet been passed.	
21	In the 2014-15 Budget the Australian Government announced the Industry Skills Fund to streamline training and better position Australian industry to succeed in a rapidly changing global economy. The fund will commence on 1 January 2015 and will deliver targeted training places and training support services over five years.	The programme has been implemented, with the fund opening for applications on 1 January 2015. The programme is being taken up by a range of eligible applicants.	
22	The Australian Government will invest up to \$A 200 million annually to establish the Australian Apprenticeship Support Network to deliver a new generation of support services to Australian Apprenticeships participants to lift apprenticeship completion rates.	The Australian Apprenticeship Support Network commenced on 1 July 2015 and operates from more than 400 locations in all states and territories across Australia.	

## D. Key policy commitments in the Employment Plan

The following table provides a summary of the actions which are being taken to address the five key employment challenges identified in Australia's G20 Employment Plan. These measures are discussed in greater detail in the Employment Plan.

**Table 6. Employment challenges for Australia**

<b>Boosting labour force participation</b>	<b>Description</b>
<b>Nature of the Challenge:</b>	Population ageing poses a challenge to many advanced countries, including Australia. The labour force participation rate for people aged 15 years and over is projected to fall to less than 63 per cent by 2054–55, compared with around 65 per cent today. This is expected to generate fiscal pressures through a smaller labour force and income tax base as well as increased demand for age-related payments and services. Improving workforce participation rates for groups with potential for higher participation is not only a pathway to boost Australia's productive capacity, but can improve equity and opportunity for all Australians.
<b>Policy planned to meet the challenge:</b>	The Australian Government's policy response to population ageing since the early 2000s has included a wide range of measures. These include: <ul style="list-style-type: none"> <li>• Measures to encourage higher levels of fertility, as well as Australia's migration programme.</li> <li>• Measures to encourage higher rates of labour force participation for all age groups, such as welfare reforms, tax-transfer system reforms to encourage delayed retirement, and reforms to foster higher levels of educational attainment.</li> <li>• A wide range of reforms to support productivity growth, including changes to the tax system, investments in infrastructure and microeconomic reforms.</li> <li>• The steps the Australian Government is taking to improve the sustainability of its fiscal position will also contribute to managing the impact of population ageing.</li> </ul>
<b>Date of introduction and implementation timeline:</b>	Ongoing. Measures have been introduced over recent decades, and policy settings will continue to be adjusted over time.
<b>Result achieved:</b>	As population ageing is a long-term issue, the full effects of policy reforms will not be felt for some time. Australia's female labour force participation rate in September 2015 was 58.9 per cent.
<b>Coverage (number of persons affected)</b>	Not applicable
<b>Funds allocated</b>	Not applicable

<b>Addressing long-term unemployment</b>	<b>Description</b>
<b>Nature of the Challenge:</b>	<p>Earlier this century, Australia achieved a substantial decline in long-term unemployment, which reached a 20-year low in July 2008. The number of long-term unemployed has since almost tripled. ‘Hidden unemployment’ is also relatively high, with many people giving up the search for work and becoming ‘discouraged workers’</p> <p>Addressing this problem is important both to ensure thousands of Australians do not face long-term exclusion from work, and to improve the long-term economic and fiscal outlook by avoiding the erosion of skills and job readiness caused by prolonged absence from the workforce.</p>
<b>Policy planned to meet the challenge:</b>	<p>The Australian Government’s measures to support higher rates of economic growth and job creation discussed elsewhere in this report will contribute to reducing long-term unemployment.</p> <p>The new jobactive employment services model which came into effect on 1 July 2015 will provide improved support to assist long term unemployment people to enter employment. The Youth Employment Strategy announced in the 2015-16 Budget also includes measures which aim to prevent young people from becoming long-term unemployed.</p>
<b>Date of introduction and implementation timeline:</b>	Ongoing
<b>Result achieved:</b>	The number of long term unemployed people has increased from 165,200 in September 2014 to 197,200 in September 2015. At this time around 26 per cent of unemployed people had been unemployed for 12 months or over.
<b>Coverage (number of persons affected)</b>	All unemployed people can receive assistance through Australia’s public employment services and other programmes. The level of support individuals are eligible for varies in accordance with their individual circumstances, including the barriers to employment they face.
<b>Funds allocated</b>	Funding to assist long term unemployed people forms part of the general funding for Australia’s employment services, and it is not practical to provide a separate total.

Youth unemployment	Description
<b>Nature of the Challenge:</b>	Young people are particularly vulnerable to unemployment during periods of economic and labour market softness, as they tend to have less education, skills and experience than their older counterparts and are therefore often the first to be retrenched by employers in times of economic difficulty. Some young people entering the workforce struggle to find new jobs.
<b>Policy planned to meet the challenge:</b>	<p>The Australian Government's policies to address youth unemployment include:</p> <ul style="list-style-type: none"> <li>• Public employment services, including the new jobactive service model</li> <li>• Establishment of the Youth Employment Strategy which is aimed at preventing young people from becoming long-term unemployed.</li> <li>• Income support policy settings designed to keep young people engaged in the labour market but also to encourage participation in education to build skills and qualifications.</li> <li>• Support for young people to complete their schooling and undertake post-school education</li> <li>• Other assistance to help youth to transition from education to employment, including supporting the provision of career advice.</li> </ul>
<b>Date of introduction and implementation timeline:</b>	Ongoing
<b>Result achieved:</b>	The unemployment rate for persons aged 15-24 has declined from 13.7 per cent in September 2014 to 12.9 per cent in September 2015.
<b>Coverage (number of persons affected)</b>	Support is available for all young people, with the coverage of individual measures varying in accordance with their eligibility criteria.
<b>Funds allocated</b>	Funds are provided for a broad range of measures, and it is not practical to provide a total.

<b>Boosting indigenous employment</b>	<b>Description</b>
<b>Nature of the Challenge:</b>	Indigenous Australians experience low labour force participation and employment rates, and high unemployment rates, relative to the rest of the Australian population. In 2012-13, 40 per cent of the Indigenous working age population was not in the labour force, compared with 20 per cent of the non-Indigenous working age population. Furthermore, even among those who are participating, the unemployment rate for Indigenous people at this time was significantly higher than for all Australians, at 22 per cent compared with 5 per cent.
<b>Policy planned to meet the challenge:</b>	The Australian Government has a wide range of measures in place to support higher rates of employment for Indigenous Australians. These are outlined in Australia's updated employment plan, and include measures focused on Indigenous Australians as well as mainstream programmes such as jobactive employment services.
<b>Date of introduction and implementation timeline:</b>	Ongoing
<b>Result achieved:</b>	As noted in Table 3, the gap between employment rates for Indigenous and non-Indigenous Australians has increased over recent years.
<b>Coverage (number of persons affected)</b>	Varies by the eligibility criteria of individual programmes
<b>Funds allocated</b>	Funds are provided for a broad range of measures, and it is not practical to provide a total

<b>Supporting job creation</b>	<b>Description</b>
<b>Nature of the Challenge:</b>	Australia's unemployment rate has increased since reaching a low of 4.9 per cent in June 2011, though the rate of job creation is improving in most recent Australian Bureau of Statistics data. This partly reflects the challenge of managing structural change between industries with varying labour requirements. Further strengthening job creation will require a boost in job-rich economic growth.
<b>Policy planned to meet the challenge:</b>	As noted in this report and Australia's G20 Growth Strategy, the Australian Government is implementing a range of measures to support higher rates of economic growth and job creation.
<b>Date of introduction and implementation timeline:</b>	Ongoing
<b>Result achieved:</b>	The rate of employment growth has increased during 2015. Over the year to September 2015, the number of employed people increased by 2.0 per cent, up from the 0.6 per cent achieved in the year to September 2014.  The unemployment rate is expected to peak at 6½ per cent during the 2015-16 financial year, and then decline.
<b>Coverage (number of persons affected)</b>	Not applicable
<b>Funds allocated</b>	Not applicable

## E. Multi-year collective commitments

### Collective commitment to increase female labour force participation and quality of jobs

#### *i) Address unequal treatment of men and women in the labour market (2014 Declaration priorities 5, 6)*

The Australian Government is committed to jobs growth through a balanced and fair workplace relations framework that boosts productive, safe and fair workplaces and reduces barriers to employment. This includes concrete actions and legislative protections to advance gender equality in the labour market.

The *Fair Work Act 2009* sets out specific standards for employment, including in relation to pregnant employees, unpaid parental leave and the right to request flexible work arrangements. It makes discrimination on the basis of sex, pregnancy, and family and carer's responsibilities unlawful, subject to certain exceptions, and protects employees who have workplace rights, like the right to take unpaid parental leave.

Federal, state and territory anti-discrimination laws also make it unlawful for an employer to discriminate against an employee on various grounds including sex, pregnancy, potential pregnancy, and family responsibilities. This applies to most employment relationships and across all stages of the employment relationship, from recruitment through to termination.

The *Workplace Gender Equality Act 2012* provides a formal framework for all Australian employers with 100 or more employees to report to the Workplace Gender Equality Agency annually on gender equality indicators. The main objectives of the Act are to promote gender equality; support employers to remove barriers to the full and equal participation of women in the workforce and promote the elimination of discrimination in the workplace on the basis of gender. The Agency's role is to advise and assist employers in promoting and improving gender equality in the workplace.

Equal remuneration between women and men is one of the gender equality indicators in the *Workplace Gender Equality Act 2012* and the Workplace Gender Equality Agency's programmes include a focus on improving pay equity outcomes for women. Activities include reporting on standardised questions on aspects of pay equity, campaigns, and educational materials and tools designed to raise the awareness of, and educating employers on, pay equity.

#### *ii) Promote an enabling environment for gender equality in the labour market (2014 Declaration priorities 1, 2, 4, 10, 11)*

Australia provides support for women throughout their education and working life, and recognises the importance of ensuring that women are strong contributors to Australia's future economy.

Females and males have equal access to all levels of education in Australia, including preschool, primary school, high school, vocational education and training and higher education. In 2014, the World Economic Forum Gender Gap Report ranked Australia number one in the world for the educational attainment of women. Successful transitions from education into long-term employment is a critical area for improving female participation, and the Government is supporting a range of initiatives to encourage females to consider pathways into careers traditionally dominated by men.

Employment services in Australia were reformed in 2015 to feature a new model of assistance, compliance and mutual obligation for unemployed people. The jobactive model acknowledges groups of people who face multiple barriers to workforce participation including women, people with a disability, young and mature job seekers, and the long-term unemployed. Key features of the model such as targeted assistance to job seekers needing the most help, and improved support for businesses, aim to promote stronger workforce participation.

A fundamental element of encouraging female participation is providing support to employees with caring responsibilities. Australia's first national Paid Parental Leave scheme was introduced in 2011, providing working parents with access to government-funded pay when they take time off from work to care for a newborn or recently adopted child. The scheme recognises a broad range of employment arrangements including full-time, part-time, casual, seasonal, contract and self-employed workers, and

further encourages gender equality by providing two weeks' pay to eligible working fathers or partners who take time off from work.

In the 2015-16 Budget, the Australian Government announced the Jobs for Families Package, with the objective of helping parents who want to work or work more. It is focused on providing greater choice for families by delivering a simpler, more affordable, more flexible and more accessible child care system.

To further support employees to in the workforce, the Australian Government encourages flexibility that allows employers and employees to make arrangements about working conditions that suit them. This helps employees maintain a work/life balance and can help employers improve the productivity and efficiency of their business. The National Employment Standards in the *Fair Work Act 2009* include a right for eligible employees with at least 12 months of continuous service to request flexible working arrangements from employers. An employee may request a change in his or her working arrangements from an employer for a range of reasons, including parental or caring responsibilities, disability or experiences relating to domestic violence.

The *Fair Work Act 2009* also introduced individual flexibility arrangements that can be made between an employer and an individual employee to vary the effect of terms of a modern award or enterprise agreement to achieve personalised working arrangements (for example, hours of work).

To supplement the legislative framework, the Australian Government also is working with business to raise awareness and drive cultural change through the Fair Work Ombudsman, the Australian Human Rights Commission and the Workplace Gender Equality Agency, including to normalise the culture of requesting and taking flexible working arrangements as a way of balancing work and family commitments.

For example, in July 2015 the Australian Government, through the Australian Human Rights Commission launched a new suite of guidance materials for employees and employers on rights and obligations related to pregnancy, parental leave and return to work. This includes supporting the right of women to take parental leave in an environment free from discrimination and when returning to work, providing parents of school age children with the right to request flexible work arrangements from employers.

The Women's Leadership and Development Strategy funds organisations and agencies that undertake projects to improve gender equality through advice and support for women's economic empowerment and opportunity, safety, and leadership.

Data on gender equality is gathered through multiple expert groups in Australia. Under the Gender Indicators initiative, the national data agency (Australian Bureau of Statistics) provides a summary of gender disaggregated data in six domains: Economic security, Education, Health, Work and family balance, Safety and justice, and Democracy, Governance and Citizenship. They have been developed to provide a central access point for gender specific data to explore differences in the situation of women and men in Australia.

The Workplace Gender Equality Agency uses reporting data to target the information campaigns and educational materials aimed at raising awareness and educating employers on how to improve gender equality outcomes in their workplace. Data is also used by the Agency to develop educational benchmark reports for employers, helping them to understand their relative gender equality performance against comparison groups, and to identify areas for improvement. The Agency has also developed a publically available interactive Data Explorer, and each year releases the findings from the preceding reporting year.

### *iii) Make work pay, improve job quality and reduce informality (2014 Declaration priorities 7, 8, 9)*

Australia has a comprehensive system of social security payments and income support for individuals in need. The income support system includes a range of incentives and support for participation including employment services, child care subsidies and incentives built into rates and means test settings.

The Australian Government provides services and support to improve the lifetime wellbeing of Australian people and families, and encourages independence and economic and social participation. The highly targeted payments system prioritises people and families who are most likely to have poor lifetime

outcomes. There are numerous programmes designed to combat poverty and social exclusion, with support provided under three broad categories:

- direct payments through the Department of Human Services and other agencies; these include the Age Pension, the Disability Support Pension and the Newstart Allowance
- working with states and territories on outcomes in shared policy areas, including housing, homelessness, disability services, concessions and children's welfare
- funding organisations to deliver residential and community services that support families and individuals according to their needs.

While Australia has a highly formalised economy and comprehensive social protection, the informal economy is a significant issue globally, including for many countries in the Indo-Pacific region. Australia engages with this issue through its participation in the International Labour Organisation (ILO). For example, the Australian Government supported the adoption of a new Recommendation at the 2015 International Labour Conference concerning the transition from the informal to the formal economy. The promotion of gender equality and non-discrimination is one of the guiding principles of this Recommendation that will serve as non-binding guidelines for national action by ILO member States.

The Australian Government believes that Australians deserve healthy, safe and productive working lives and is working to improve health and safety at work for all Australian workers. Australia's work, health and safety laws set out employers' obligations to ensure, for example, so far as is reasonably practicable, that the workplace is safe for all workers including employees, contractors and others at the workplace.

The Australian Government is continuing work towards a gender diversity target where women hold at least 40 per cent of Commonwealth Government board positions. Equally, 40 per cent of these positions are to be held by men, and the remaining 20 per cent can be held by either gender. Demonstrated suitability and merit remains the driving principle of all appointment processes and diversity policy, as well as ensuring Commonwealth Government board positions are filled by the best candidates Australia has to offer.

*iv) Promote entrepreneurship (2014 Declaration policy priorities 3)*

Australia is a nation of entrepreneurs, and has a larger proportion of the population starting a small business than almost any other developed country in the world. The government supports entrepreneurship through a range of measures available to both women and men.

The Jobs and Small Business package in the 2015-16 Budget included a range of initiatives to further boost entrepreneurial endeavours, such as streamlining business registrations and removing obstacles to crowd sourced equity funding.

For eligible job seekers, the New Enterprise Incentive Scheme provides accredited small business training, business mentoring, and income support to help them establish a new small business. The scheme has been running for 30 years and has assisted over 150,000 job seekers Australia wide.

The Australian Government also offers assistance to small business owners through a range of free tools and resources such as the business.gov.au website and the National Small Business Support Line.

In addition, the Government funds a suite of microfinance initiatives under the Social Services portfolio, to support individuals and families on low incomes to access safe and affordable funds and build their financial capability, including a new focus on the next stage of building microenterprise and supporting microenterprise development. Individuals on a low income also benefit from services such as advocacy, referral, financial literacy support and education to strengthen their capacity to manage their money.

In 2015 the Australian Government launched a 'Women's Money Toolkit', a free online resource to provide women with knowledge and confidence to manage their finances and achieve their financial goals. The toolkit provides specific financial guidance for women who are having a baby, caring for others, buying a home, dealing with illness and disability and family breakdown.

## Key indicators of gender gaps in the labour market

Table 7: Gender gaps in labour market outcomes in Australia

Labour force participation rate (15/16-64 year olds)				Employment / population ratio (15/16-64 year olds)				Incidence of part-time employment <sup>a</sup>				Incidence of senior managers				Gender pay gap <sup>c</sup>	
2012		2014		2012		2014		2012		2014		2012		2014		2012	2014
Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	13.8	18.0
82.5	70.4	82.2	70.5	78.1	66.6	77.1	66.1	12.0	37.6	12.8	37.5	15.4	9.7	15.7	10.0		

a) Proportion of employed persons (aged 15/16-64) who work part-time, based on a 30-usual-hour cut-off in the main job.

b) Data refer to legislators, senior officials and managers - corresponding to category 1 of the International Standard Classification of Occupations 08 (ISCO-08).

c) The OECD defines the gender wage gap as male minus female median wages as a proportion of male median wages. The most recent figure presented in the table is for 2013 (latest OECD data).

Sources: Data collated by the ILO/OECD for the G20 Employment Working Group meeting in July 2015, unless otherwise indicated.

Table 8: Gender gaps in opportunities in Australia

Differences in legal treatment for men and women <sup>a</sup>		Time spent in unpaid work (minutes per day) <sup>b</sup>		PISA reading performance		PISA mathematics performance		Percentage of the population that has attained tertiary education (25-64 year olds) <sup>c</sup>				Total weeks of paid leave available for fathers		Total weeks of paid leave available for mothers		Preschool enrolment rate among children aged 3-5 years	
2012	2014	2014 or latest year available		2012		2012		2012		2014		2012	2014	2012	2014	2012	2014
		Men	Women	Boys	Girls	Boys	Girls	Men	Women	Men	Women						
2	..	172	311	495	530	510	498	45.0	37.5	43.9	35.1	0	2	18	18	64.8	..

a) This indicator considers differences in treatment by law of men and women and provides an aggregate count across 21 areas for married and unmarried women and for 5 areas that only apply to married women (the maximum score would thus be 47), including: application for a passport; travel outside the country; signing a contract; being head of household or family; having ownership rights over property; working the same night hours; having the same statutory retirement age; and, absence of gender or sex discrimination in the constitution.

b) The data are derived from time-use surveys.

c) Tertiary education refers to all type-A and type-B programmes.

Sources: Data collated by the ILO/OECD for the G20 Employment Working Group meeting in July 2015, unless otherwise indicated.

## Commitment to promote better employment outcomes for youth

As noted in this report, Australia has a wide range of measures in place to help young people to prepare for employment and support their transitions into the workplace. The following table provides a summary of the implementation of the measures identified in Australia's G20 Employment Plan. In addition to the employment policy measures noted in section C of the table below, the Australian Government's broader policy measures to improve economic growth and reduce unemployment will also contribute to improving job opportunities for youth.

**Table 9. Monitoring Progress: Tracking New Policy Developments: Youth Employment**

	Policy Instrument	Objectives	Description	Implementation timeline	Outcomes to date
<b>Strengthen the education system and prepare all young people for the world of work</b>					
A.	Australian Apprenticeship Support Network	The Australian Apprenticeship Support Network will deliver a new generation of support services to Australian Apprenticeships participants to help improve apprenticeship completion rates.	The Australian Government is investing up to \$A 200 million annually. Apprenticeship Network providers operate in metropolitan, regional and remote centres in all states and territories of Australia.	The network was established on 1 July 2015	The Apprenticeship Network has been in place since 1 July 2015 and supports apprentices from a network of more than 420 locations nationally.
	Trade Support Loans	The Programme provides financial support to eligible Australian Apprentices to assist them with expenses associated with living, learning and completing an apprenticeship and helps them focus on completing a trade qualification.	Trade Support Loans provides support to eligible apprentices undertaking a qualification listed on the Trade Support Loans Priority List. This includes key trade occupations such as electricians, plumbers, carpenters, hairdressers and motor mechanics. The programme operates on a demand driven basis.	The programme has been implemented and is operating successfully. The Trade Support Loans Bill 2014 received Royal Assent on 17 July 2014 and the Programme commenced on 21 July 2014.	As at 30 June 2015, 26,608 Trade Support Loan applications have been received and processed, with 145,461 payments made to apprentices.
	Higher Education and Research Reforms	The proposed higher education reforms would extend the demand driven university funding system to sub-bachelor courses and to courses delivered by approved private and non-university higher education providers.	The Government will support additional higher education students through the reforms.	Implementation is subject to Parliamentary approval. Current funding arrangements remain in place while the Government consults further with the higher education sector and other stakeholders regarding reforms.	

Provide effective support to unemployed young people to find work					
B.	Youth employment strategy, including: <ul style="list-style-type: none"> <li>Transition to Work service</li> <li>Youth Employment Innovations</li> </ul>	The Transition to Work service supports young people aged 15-21 who are not in employment or education by providing intensive, pre-employment support to improve their work readiness and to help them into work (including Apprenticeships or Traineeships) or education.  Youth Employment Innovations provide funding for not-for-profit organisations to trial innovative and localised programmes to support disadvantaged young people gain employment, remove barriers to employment, and retain employment.	\$A 331 million over four years	Elements of the Youth Employment Strategy will be progressively implemented from 1 January 2016.	
	Expanded Work for the Dole programme	Work for the Dole provides activities where young job seekers can gain skills and experience that gives back to the community and help them find a job.	Funding incorporated as part of the jobactive public employment services model.	Implemented as part of jobactive on 1 July 2015	
	Rapid Activation for job ready job seekers aged under 25	Require job ready job seekers aged under 25 to complete pre-benefit activities to demonstrate that they are doing all they can to find employment before they become eligible for income support.		To be implemented on 1 July 2016	
Improve job opportunities					
C.	National Work Experience Programme	The National Work Experience Programme will assist young job seekers in particular to develop practical skills, gain workplace experience and better connect them with real jobs	The Programme will vary existing unpaid work experience arrangements to provide stronger incentives for employers to offer work experience and employment opportunities to job seekers.	The new arrangements will come into effect on 1 October 2015	
	Job commitment bonus	The Job Commitment Bonus will provide a payment of \$A 2500 to eligible young Australians aged 18 to 30 who are long term unemployed, if they find and keep a job and remain completely off welfare for a continuous period of 12 months.  Eligible young people will receive a further payment of \$A 4000 if they remain in a job and off welfare for a continuous 24 month period.	\$A 224.5 million over four years	Programme commenced on 1 July 2014 with first payments being made to eligible young people from July 2015	

## Key indicators of youth employment outcomes

**Table 10: Youth employment outcomes** (15-24 year olds unless indicated otherwise)

	Employment/population ratio			Unemployment rate			Incidence of long-term unemployment			Incidence of involuntary part-time employment <sup>a</sup>			Proportion of youth not in employment, education or training (NEET)		
	2007	2010	2014	2007	2010	2014	2007	2010	2014	2007	2010	2014	2007	2010	2014
Australia	64.1	60.5	57.7	9.4	11.5	13.3	9.9	12.7	17.6	13.4	15.6	17.0	8.7	9.7	10.9

a) Proportion of employed persons (aged 15/16-64) who work part-time for involuntary reason, based on a 30-usual-hour cut-off in the main job.

Sources: Data collated by the ILO/OECD for the G20 Employment Working Group meeting in July 2015.

## Commitment to promote safer and healthier workplaces (OSH)

This section provides a summary of the key Australian occupational safety and health measures undertaken since November 2014 which are relevant to the policy principles adopted by G20 Labour and Employment Ministers at their meeting in September 2014.

*A. National action that strengthens national policies, systems, programmes and strategies to improve occupational safety and health. (Commitments 1, 2, 3)*

### Examination of the model Work Health and Safety laws

In May 2014 the Council of Australian Governments (COAG) asked state and territory ministers responsible for work health and safety to examine ways to improve the model work health and safety (WHS) laws with a particular focus on reducing regulatory burden.

Safe Work Australia assisted ministers by drafting a report and accompanying Regulation Impact Statement identifying options for their consideration.

### Codes and guidance

Safe Work Australia is working to ensure supporting material for the model WHS laws is clear and practical and that all sectors of business including small business are considered, without compromising safety standards or imposing additional regulatory burden.

During the reporting period Safe Work Australia published supporting material for:

- construction —safe work method statements, work of a minor nature and workplace induction training
- handling isocyanates
- workplace vibration
- managing risks of exposure to solvents in the workplace
- managing the risks of diesel exhaust, and
- identifying and handling low density asbestos fibre board.

The following supporting material is expected to be published shortly:

- managing risks in stevedoring
- high risk licensing material for dogging, vehicle loading cranes and bridge and gantry cranes
- chemicals in shipping containers
- split rim tyres, and
- revised guidance on incident notification and workplace bullying

Published supporting material will be reviewed every five years from its publication date, or sooner if there are changes in legislation or work practices relevant to the publication. The first of the five-yearly reviews are set to commence in December 2016.

### High risk work licensing

The model WHS Regulations identify 29 types of high risk work (HRW) activities that require a licence. To ensure that workers are trained and competent to undertake HRW in workplaces, Safe Work Australia endorses the units of competency against which candidates are trained and the national assessment instruments (NAI) that must be used by accredited assessors to assess a candidate's competency.

Safe Work Australia continued its ongoing management role of the NAI by completing a revision of all 29 HRW NAI. Safe Work Australia also continued its engagement with Industry Skills Councils, assisting with the translation of the 29 HRW units of competency into the new vocational education and training

(VET) endorsed units of competency template as a part of the COAG training package reforms that are anticipated to be completed in 2015–16.

### Good Work Through Effective Design Project

Good Work Through Effective Design is a collaborative project being undertaken as part of implementing the *Australian Work Health and Safety Strategy 2012–2022* (the Australian Strategy). Good design activities aim to eliminate or minimise hazards and risks through the better design of work, structures, plant and substances. Evidence has shown that good work design is a critical factor in making workplaces healthier, safer and more productive.

The first stage of the Good Work Through Effective Design project has been completed with the development of 10 principles and a supporting handbook. These items describe why it is important, what should be considered and how it can be achieved. They will assist those who have specific design duties under work health and safety laws and people with responsibility for designing work processes and systems.

Stage two, to develop supporting resources for use by those designing work is underway. These resources will demonstrate the application of the principles in practice, for example during organisational restructuring and designing work to manage fatigue risks.

- B. *National action that supports international collaboration and development, sharing and application of knowledge on OSH. (Commitments 6, 7, 8)*
- C. *National action that targets measures to improve OSH conditions for priority safety and health hazards, high risk sectors, SMEs, supply chains and vulnerable workers. (Commitments 4, 5, 10)*

### Australian Strategy Virtual Seminar Series

Safe Work Australia piloted a free online programme—the Australian Strategy Virtual Seminar Series (VSS)—during the 2014 Safe Work Australia Safety Month (Safety Month) which occurs in October. The VSS is Safe Work Australia’s innovative approach to delivering key business objectives including supporting the implementation of the Australian Strategy and promoting community awareness and knowledge of WHS.

National and international industry experts, academics and business leaders shared their knowledge and insights in 39 items, including videos, live panel discussions, infographics and new publications. The series showcased the latest WHS thinking, developments, innovations and research on the themes of leadership and culture, responsive and effective regulation, the Agriculture and Road transport industries, and responding to challenges for small business. This material was viewed over 65 000 times (1 October 2014 - June 2015) by people around Australia and overseas.

Since its release Australian and international universities, Registered Training Organisations and individual businesses have developed learning activities based on the content.

Using multiple delivery platforms, the Virtual Seminar Series remains accessible to everyone, anytime, anywhere, with content streamed to mobile devices as well as workstations, and available on a dedicated YouTube channel.

Supply chains and networks will be a focus for the 2015 Virtual Seminar Series which is scheduled to occur during Safety Month in October 2015.

## Key indicators of OSH outcomes

**Table 11: Monitoring progress: Tracking policy developments with safer and healthier workplaces**

Key indicators	2013 (base)	2014
<b>General indicators</b>		
Occupational injury and disease rates (frequency rate or incident rate)		
<ul style="list-style-type: none"> <li>• Occupational fatal injuries</li> <li>• Occupational non-fatal injuries</li> <li>• Occupational disease</li> </ul>	<p>1.71</p> <p>8.1</p> <p>2.9</p>	<p>1.61</p> <p>7.3</p> <p>2.5</p>
<b>Policy indicators</b>		
Workers covered by OSH legal protections (% of workers)	100%	100%
Workers covered by employment injury insurance or program (% of workers)	92% (workers' compensation coverage)	92% (workers' compensation coverage)
Inspectorate responsible for OSH enforcement (number of "full time equivalent" OSH inspectors)	n/a (responsibility of jurisdictions)	n/a (responsibility of jurisdictions)
Enterprises with health and safety committees, established consistent with national law (% of enterprises)	n/a	n/a
Enterprises implementing occupational health and safety management systems (% of enterprises)	n/a	n/a
Workers covered by basic occupational health services (% of workers)	n/a	n/a
OSH training integrated in to job training and skills development programmes (% of training programmes)	n/a	n/a

Source: Safe Work Australia, ILO

## F. New policy commitments

The following table provides a summary of the key new employment measures announced by the Australian Government since November 2014. Further detail on these measures is provided earlier in this document as part of Australia's G20 Employment Plan 2015.

New policy measure	Description	Rationale*
<b>A.</b> Jobs and Small Business Package	<p>The \$A5.5 billion package was announced in the 2015–16 Budget, and includes:</p> <ul style="list-style-type: none"> <li>• Tax cuts for small businesses</li> <li>• A measure to allow all small businesses to immediately deduct purchases of eligible business assets worth up to \$A 20,000 until 31 June 2017</li> <li>• Measures to encourage entrepreneurship</li> <li>• Measures to help employers take on unemployed job seekers</li> <li>• Measures to help young disengaged youth become job ready (noted separately below)</li> </ul>	<p>The Jobs and Small Business Package aims to help small businesses invest more, grow and employ more Australians. Over two million small businesses will benefit from the tax cuts included in the package</p>
<b>B.</b> Youth employment strategy	<p>The Youth Employment Strategy was announced as part of the Jobs and Small Business Package. It includes:</p> <ul style="list-style-type: none"> <li>• a new Transition to Work service that will assist young people aged 15-21 who have disengaged from work and study and are at risk of long-term welfare dependence, particularly early school leavers.</li> <li>• Intensive support trials for key groups of vulnerable job seekers</li> <li>• The introduction of a four week waiting period for job seekers aged under applying for Youth Allowance (other) or Special Benefit, and placed in Stream A with a jobactive provider;</li> <li>• Strengthened requirements for early school leavers to help improve outcomes for these young people by ensuring they are working or studying.</li> </ul>	<p>The Youth Employment Strategy seeks to improve youth employment outcomes, with a focus on preventing young people from becoming long-term unemployed.</p>
<b>C.</b> Jobs for Families Package	<p>The package was announced in the 2015-16 budget, and includes:</p> <ul style="list-style-type: none"> <li>• A new Child Care Subsidy, starting from 1 July 2017</li> <li>• A Child Care Safety Net to provide targeted assistance to child care services in disadvantaged communities and also disadvantaged or vulnerable families and children</li> <li>• A two year Nanny pilot programme commencing in January 2016 to inform consideration of how care in the family home can be supported beyond the pilot period.</li> </ul>	<p>This package will provide greater choice for Australian families by delivering a simpler, more affordable, more flexible and more accessible child care system with the objective of helping parents who want to work or work more.</p>

<b>D.</b> Disability Employment Services	Enhancements will be made to the Disability Employment Services (DES) programme to improve the assistance for young people, people employed in an Australian Disability Enterprise, DES participants who have been assessed as having the capacity to work between 23 and 29 hours. An online JobAccess Gateway will be developed for people with disability and employers.	These measures aim to better support job seekers with disability and their employers.
<b>E.</b> Indigenous measures	The 2014-15 Budget investment of \$A 4.8 billion includes several new initiatives including the Community Development Programme; The Employment Parity Initiative; Commonwealth Indigenous Procurement; and environment programmes.	These measures aim to create greater participation and employment opportunities for Aboriginal and Torres Strait Islander peoples