

Kevin Rudd and Labor

A New Way



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A NEW WAY FOR JOBS: LABOR'S JOBS, TRAINING AND APPRENTICESHIP GUARANTEE

A new job services guarantee

Under a new employment services model – Jobs and Training Australia, all Australians will be entitled to a jobs services guarantee, including a two-day rapid response for recently unemployed workers that is designed to get them back into work as quickly as possible.

In addition, all Australians will be provided with a career advisory service – because the Rudd Labor Government knows that it's not only jobseekers who might need help looking for a new job, writing a resume, or moving to a new employment pathway. All Australians should have access to the advice they need to plan for their future employment, and maximise the satisfaction and income they get from work.

New Local Jobs and Training Boards will make sure that where employment services providers refer job seekers for training, it is training that will lead to a local job.

A training guarantee

Under Federal Labor, Australians will be guaranteed an entitlement to a publicly funded training qualification at the Certificate III level, being delivered through the States and Territories, more than \$90,000 worth of training under income contingent loans for Vocational Education and Training, and access to uncapped undergraduate university places.

Building on strong industry leadership of the training system at the national level, Federal Labor's Jobs and Training Boards will help make sure that the training we deliver is relevant to local jobs – not just 'training for training's sake.'

Summary

The Federal Labor Government's \$8.5 billion Employment Services system has performed well in its first four years, placing 1.6 million out-of-work Australians into jobs and significantly contributing to the nation's very low unemployment rate.

Job Services Australia, which was introduced in 2009, has performed significantly better than the service they replaced. Through JSA over 1.5 million people have been placed in jobs.

However, Australia's economy is in transition – connecting the right people with the right opportunities is more important than ever.

The Rudd Labor Government has a plan for a new employment services model that will respond to industry needs and provide Australians with locally relevant skills and local job opportunities. It will also make sure that stronger links are developed between employment services and health and social services that are crucial to helping people get back to work.

The plan's centrepiece is the major expansion of Federal Labor's extraordinarily successful Local Employment Co-ordinator model. A strategy backed by the OECD.

Twenty-one connected and savvy Local Employment Co-ordinators have been embedded in disadvantaged and tough labour markets around Australia such as Western Sydney, North Adelaide and East Melbourne to create and seize employment opportunities through smart networking and local funding.

We will build on that model to establish Jobs and Training Boards in 42 regions in Australia, including the 21 areas where LECs currently operate.

The new Boards will:

- Ensure that local businesses and the people they employ are our primary focus.
- Respond to what is needed at the local level.
- Give the community more control over determining local training and employment programs.
- Ensure that local students, jobseekers and existing workers can identify the skills they need to secure employment where they live.

Why do we need to act?

Our economy is in transition with the end of the China mining investment boom.

That is why the Federal Government must provide a new way to support workers find and get jobs and business to be able to hire skilled, job ready workers.

Despite the strengths of our employment services and Vocational Education and Training systems, concerns remain about a disconnect between the two, and their link to local jobs.

In some situations, employers and job seekers raise concerns that people choose training that isn't relevant to their gaining local employment – and so they churn through 'training for training's sake.'

They also raise concerns that employment services aren't always as linked to the needs of local employers as they need to be. For example, the Australian Industry Group raised concerns that some individuals are wasting or 'burning' their guaranteed entitlement to a qualification by doing a course that is not valued by industry.¹

There is strong industry leadership of our national training system through national Industry Skills Councils, but more local leadership is needed to ensure people are linked to local jobs, or training that will lead to a local job.

Forging a closer link between employment services and Vocational and Educational Training—that is, between jobs and skills—is critical to supporting job seekers, workers, and industry to succeed.

We have developed a new model for employment services to ensure that Australians are equipped to meet the demands of our 21st century economy.

How it will work: Employment services

Existing Employment Services contracts expire in mid-2015. This is an opportunity to build on our success and for Jobs and Training Australia to commence.

The first stage of the local Jobs and Training Boards will be rolled out immediately in the 21 existing Priority Employment Areas that have Local Employment Co-ordinators in place.

The first stage of the Boards will be funded with \$34.4 million in additional investment to 1 July 2015.

From mid-2015 Federal Labor will establish a new employment services system that will put employers and job seekers at the heart of our services by replacing Job Services Australia with Jobs and Training Australia, including the establishment of 42 Jobs and Training Boards nationally.

¹ Megan Lilley May 2013, Australian Industry Group submission to the *House of Representatives Inquiry into the role of Technical and Further Education system and its operation*.

The remaining Jobs and Training Boards will be rolled out progressively from 2015, funded from within the existing Budget for employment services.

- Each Jobs and Training Board will develop a plan that identifies the region's challenges and opportunities, and sets out clear strategies to develop skills and create local jobs.
- Jobs and Training Boards will provide a single front door for business, because there should not be any barriers to creating new jobs.
- Jobs and Training Boards will have access to flexible funding to develop partnerships and projects that meet local needs e.g. programs to link long term unemployed job seekers with literacy and numeracy training, or social enterprises to help unemployed young Australians develop work skills and experience.
- Jobs and Training Boards will develop local skills needs lists. Local employment service providers will only be able to refer jobseekers to training that is on the list – ending “training for training’s sake”.
- By working together across regions, Jobs and Training boards will boost labour mobility, helping match skilled and experienced job seekers with employers across the country, and working with employment service providers to give job seekers the practical support they need to move for employment opportunities, through programs like Move 2 Work.

In addition to setting up local Jobs and Training Boards, employment services will be reformed – under the new system employment service providers will be charged with:

- Rapidly engaging jobseekers so they can take control and start planning to return to work; within two business days of registration.
- Improving the upfront assessment of jobseeker needs and barriers, including the assessment of literacy, numeracy and ‘job skills’. Employment services providers will be required to work with providers to directly address identified barriers to employment, giving every job seeker the best possible support to secure work.
- Tackling long term unemployment by bringing forward the intensive assistance for jobseekers to six months (currently 12 or 24 months) – 45% of jobseekers unemployed at 6 months become Long Term Unemployed.
- Defining training and service entitlements that can be accessed by providers and jobseekers at key unemployment milestones (e.g. 6, 12 and 18 months) – to make sure that no-one misses out on the help they need to get back on their feet.

- Comprehensively reassessing jobseekers after they have been unemployed for two years, to make sure we are addressing their barriers to employment. Levels of support for long term unemployed job seekers will also be maintained over time.
- Establishing an independent regulator to ensure job seekers get good quality services, and to cut red-tape for providers. As we move toward the implementation of the new system, the regulator will be charged with helping reduce the number of forms and transaction in the system by at least a third – freeing up providers to spend more time and resources assisting job seekers.
- Jobs and Training Boards will put in place strong links between employment services and health and social services. Better links and partnerships with mental health services, housing services, migrant community groups, and drug and alcohol services will make sure that no one slips through the cracks.

Our employment services system is working well. Despite the challenges of the GFC, it has delivered a 90 per cent improvement in outcome rates for the most disadvantaged job seekers. There are many features which should be preserved under a new model, including:

- Responsibility for purchasing and contract management will remain with government.
- More resources will continue to be dedicated to helping those job seekers most in need, such as long-term unemployed.
- Specialist employment services will be maintained, with Jobs and Training Boards responsible for setting out the specialist employment services of each regions.
- The diversity – in terms of scale and ownership – of employment service providers will be maintained to ensure our system continues to have strong links with the community and non-profit sector, and that regionally-based organisations continue to contribute local knowledge and experience.

How it will work: Linking local jobs to local skills

The Rudd Labor Government has heard the concerns of industry that, while our skills reform have gone in the right direction, we still have too many young people doing training that won't lead to a local job.

Federal Labor has a plan to increase the linkages between employers, employment services and training providers over time.

This vision will require substantial work with the States, Territories, industry and training providers, but the first concrete steps in this plan are listed below:

- Jobs and Training Boards will have priority access to funding under the new Step into Skills, Supporting Manufacturing and Community Services Assistance initiatives.
- Jobs and Training Boards set up under the pilot of the new arrangements will be afforded priority access to the Skills Connect Fund, established in the 2013-14 Budget.
- Federal Labor will work with the States and Territories to prioritise delivery of the skills entitlement to areas with well identified local skills shortages.
- Federal Labor will ask the Australian Workforce Productivity Agency to take account of the advice of Jobs and Training Boards, when setting the priorities of training places funded under the National Workforce Development Fund.
- We will require employment service providers to place jobseekers into training that directly links to the lists of skills and priorities identified by Jobs and Training Boards.

What are the benefits?

We are committed to responding to employers' workforce and training needs at a local level, and to achieve this we will establish a national, single point of contact for major national employers. This innovation will generate jobs across Australia, and it responds directly to industry feedback about the challenges of our fragmented system.

At the local level, regional Jobs and Training Boards will act as a single point of contact for businesses that are looking for employment and training services.

Local employers know what opportunities are on the horizon better than anyone. Putting them at the heart of our job services and training system will give Australians the best chance of finding a job or building the right skills for the local jobs of the future.

Federal Labor will give Australians the services they need, and also the peace of mind that, even if they don't need services now, they will be there for them in the future should their circumstances change.

Cost

The \$34.4 million cost of the first stage of the local Jobs and Training Boards has been provisioned for within the economic competitiveness fund that was funded in the Economic Statement.

The remaining reforms will be delivered in a cost neutral way within the existing employment services Budget from 1 July 2015.

Attachment: How the new system will work

How Jobs and training Australia and the Jobs, Training and Apprenticeship Guarantees will work for a job seeker

Within 2 days of becoming unemployed and registering their status, a person will receive their first consultation with an employment service provider. Job seekers will be given information about the Training and Job Services Guarantee. And they will begin working with providers on a return to work plan.

This will involve identifying a person's existing skills and experience and matching it to local labour market and training opportunities. Job seekers will have a central role in putting together their return to work plan, and will be to propose business cases to employment services for investment in training and other supports.

Each job seeker will also be assessed for employment barriers and individual needs, so that the appropriate level of assistance can be provided. This will include an assessment of literacy and numeracy skills, work skills and checks for barriers and vulnerabilities such as homelessness or mental health barriers. Providers will be required to work with the job seeker to make sure that the return to work plan addresses any barriers identified by the assessment.

If a jobseeker would benefit from access to other health, community or support services, employment service providers will use links and partnerships established by the Jobs and Training Board to make sure no-one slips through the cracks. For example, if a job seeker has a mental health barrier to employment, their employment service provider could work with a local *headspace* to make sure the right support and services are offered to help them get work ready, and keep a job.

Job seekers will also be able to access training that is directly linked to the local labour market under the Training and Job Service Guarantee. And through partnerships and programs locally funded by the Jobs and Training Board, they will also have access to local, targeted programs. This could include structured work experience for younger job seekers in expanding industries, or completing specific training and work experience before moving into a guaranteed job, brokered by local employment service providers, employers and the Jobs and Training Board.

If a job seeker is still unemployed at 6 months they will be provided with extra support, and expected to take part in additional activities such as training or work for the dole programs, in order to make sure they remain engaged and continue to improve their skills. And ensure that they do not become long-term unemployed.

Employment service and training providers will work together with employers and the Jobs and Training Board to make sure that job seekers get access to wage subsidy and labour mobility programs like WageConnect and Move2work.

If a person has been unemployed for a period of two years, they will receive a comprehensive re-assessment of their needs and skills, and an intensive return to work plan will be put in place to break the cycle of unemployment.

How Jobs and Training Australia and the Jobs, Training and Apprenticeship Guarantees will work for a person who is currently employed, or for a worker facing redundancy

In addition to the support that will be available to all Australians who become unemployed, career planning advice and skills and training assistance will be available to everyone. Because by planning for their careers and training for the jobs of the future, people will have more secure employment opportunities, greater job satisfaction and opportunities to increase their earnings.

All Australians will have access to a career advice and skills assessment service, along with comprehensive online tools to get an understanding of local training and labour market opportunities. Advice on making use of the skilling options while working and resume assessment and interview coaching will also be available.

For workers facing redundancy, Jobs and Training Boards will for the first time provide an opportunity for early support to help people move to new employment opportunities. Business will be able to work with boards, other employers, employment service providers and training organisations to help workers identify their skills, local job opportunities and training options to help them build on their experience and get ready for emerging work.

Jobs and Training Boards will also be able to invest Jobs Fund resources in local programs to help workers facing redundancy to get new skill, and build on their experience to improve their future job prospects.

For example, programs to ensure workers have formal qualifications that reflect their skills and experience, and gap training to boost qualification levels so that every person has the best chance of quickly securing a rewarding job.