

MEMBER ADVISORY: JOBS AND SKILLS SUMMIT ANNOUNCEMENTS AND OUTCOMES



7 September 2022

BACKGROUND

Last week's Jobs and Skill Summit in Canberra was the hot ticket in town. The summit was an opportunity to consider the national future direction from economic, workforce and social perspectives. It can be seen to have made some progress on identifying issues and possible solutions to delivering an improved economy.

Promisingly there was a lack of surface hostility by all participants, and all representative parties appeared to agree that a broad range of changes were necessary, albeit with scrutiny and responsibility.

Although there were pre-planned announcements made by the Government, there was some considerable level of consensus across numerous issues. Many of the issues discussed and announcements made are complementary and or interwoven with other issues and Government commitments.

The summit has also laid out priorities for further work and future action. Most of the outcomes from the summit are not set in stone, many will require legislative amendment or creation, and most will require considerable efforts to realise. PVCA will be involved in the resulting consultation processes arising from the Summit. In this advisory we provide a review on some of the relevant announcements and outcomes from the summit.

ENTERPRISE AGREEMENTS AND THE BOOT

For those members with enterprise agreements, the Government has provided its strongest signal yet that the Better Off Overall Test will be amended with an aim to make the BOOT more "simple, flexible and fair". While the detail of such a proposal was not discussed, there was a strong indication that any changes to the BOOT would not be radical, nor would they alter the purpose of the BOOT. Rather, they would focus on simplifying and clarifying the application of the test.

The Government has also committed to reforming workplace agreements, saying the current enterprise bargaining system was failing to boost productivity or lift wages. Proposed changes include providing the Fair Work Commission with "proactive" powers to assist employees and employers to reach agreement when bargaining is not proceeding successfully. While no details were tabled, it was indicated that a key focus of any such provisions would be on assisting new entrants and small/medium businesses during the bargaining process.

Commentary

There are some obvious problems of complexity with the current enterprise bargaining system that need to be addressed. If amendments to the BOOT occur, and if they create balance and fairness, it would provide some greater clarity, remove complexity, and would be welcomed.

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MULTI-EMPLOYER BARGAINING

The Government has flagged action to remove limitations on access to multi-employer bargaining. There were several contributions during the summit on this issue, with employee representative groups arguing that the existing low-paid bargaining scheme was inadequate and measures to allow employees to bargain across multiple enterprises would lift wages and conditions.

Commentary

Australia already has a system of industry awards that set a safety net of wages and minimum conditions across numerous industries and professions. Awards play a similar role to the industry-wide agreements. The proposal can be seen to be inconsistent with the modern Award system. Multi-employer bargaining could give unions the ability to strike agreements for workers across a number of organisations within the same industry. However, a one-size-fits-all approach would be concerning as it may ignore aspects, viabilities and structures of individual businesses. Further, such a proposal has the potential to negatively impact innovation, supply chains and potential industrial action that could have the ability to shut-down entire sectors in pursuit of bargaining claims is concerning. It is unclear how such a proposal would solve any current workforce issue and must be a voluntary opt-in for businesses.

SKILLED MIGRATION

The federal Government has announced it will lift the permanent skilled migration rate from 160,000 places to 195,000 for 2022- 2023. This will include implementing extended visas and relaxed work restrictions for international students, along with extra funding to clear the backlog of visas waiting to be processed.

Commentary

Our industry is facing a shortage of new entrants, particularly in the trade skills. Increased skilled migration potentially provides an immediate and workable solution for members. However, attracting skilled migrants will require more than a lift in numbers. Current application backlogs, costs and red-tape need to be addressed. Additionally, attraction of skilled migrants needs to be undertaken on a holistic basis. Given limited migration over the last few years, and the current backlog of migration applications, this announcement will essentially be an accounting move without streamlining the existing processes. The details of the remain to be seen as to how the proposal might assist our industry or others.

TRAINING AND SKILLS

All participants were able to agree on the need to address training, skills and competencies. The Government announced it would be accelerating the delivery of 465,000 additional fee-free TAFE places, with 180,000 to be delivered next year, and with costs shared between the federal Government with the states and territories on a 50:50 basis.

Commentary

Increasing fee-free places for apprentices is a step in the right direction, but government needs to simultaneously repair funding to the TAFEs, VET colleges and private institutions providing training, to make them fit for purpose and be funded to cover all apprenticeships within the industry.

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Additionally, current cultural and funding biases that disproportionately push secondary students into the university system need to be addressed. PVCA will work with Jobs and Skills Australia, once established, to share information on our industry skills needs.

BARRIERS TO WORK AND PARTICIPATION

It was encouraging the summit made gender and disability equity issues a central part of the overall discussions. There was strong agreement that women's participation and the elimination of barriers to workforce participation are core economic issues. Increasing female participation through improved childcare and early education, along with improving disability employment outcomes, would help tackle a few of the productivity barriers and shortages in employees. This includes addressing the following related issues.

GENDER EQUALITY

The Government flagged that businesses with more than 500 employees will be required to commit to measurable targets to improve gender equality, and the Workplace Gender Equality Agency will also begin collecting data on the pay gap, specifically for First Nations and culturally diverse women, as well as women living with a disability.

Commentary

The collection of better data will be highly relevant to addressing ongoing gender equality issues, however the collection of that data needs to result in meaningful changes and improved outcomes.

CHILD CARE

Dr Leonora Risse of RMIT told the summit research suggests 125,000 women would work but can't because of childcare shortages and unpaid care commitments. To address some of the related issues, the Government is looking to increase child care subsidy rates from July 2023. Additionally, there will be a Productivity Commission review of the childcare sector and an Australian Competition and Consumer Commission inquiry into childcare prices

Commentary

Investment in early childhood education could lift workforce participation, particularly for women, and needs to be addressed along with child care sector reforms.

PEOPLE WITH DISABILITY

An outcome of the summit was the Government committing to develop a memorandum of understanding with the Business Council of Australia to lift workforce participation for people with disability, called the Disability Employment Initiative. Additionally, a Disability Employment pilot will be created that connects small businesses with people with disability who want to work, and employment will be better embedded into NDIS plans.

Commentary

Greater commitment and more work is needed to make this outcome a reality.

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PENSIONERS WELCOME

Aged, disability and veteran pensioners will be able to earn an additional \$4,000 this financial year without losing any of their pension. This is on top of the \$480 fortnightly earning limit that currently applies.

Commentary

The Government's work credit for pensioners will remove some barriers, however is unlikely to entice pensioners back into the workforce without additional promotion. The proposal will benefit those pensioners who are currently working.

ADDITIONAL MEASURES TO BE CONSIDERED

Other relevant measures outlined by the Government that would be explored following the summit include:

- > Amending legislation to allow employees to challenge unfair contractual terms.
- > Allowing the Fair Work Commission to set minimum conditions in the Road Transport Sector.
- > Seeking improvements to the operation of the Modern Awards System and the National Employment Standards.
- > Increasing access for employees to flexible work arrangements and unpaid parental leave with the aim to assist families to share work and caring responsibilities.
- > Stronger adverse action protections for discrimination.

NEXT STEPS

In and of itself a two day summit will not solve every problem and we need to continue to proactively commit to addressing the issues facing our industry. It is our hope that the next steps involve transparent collaborative outcomes between all stakeholders rather than negotiated deal making.

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CONTACT

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