

Employment Plan 2019

Australia

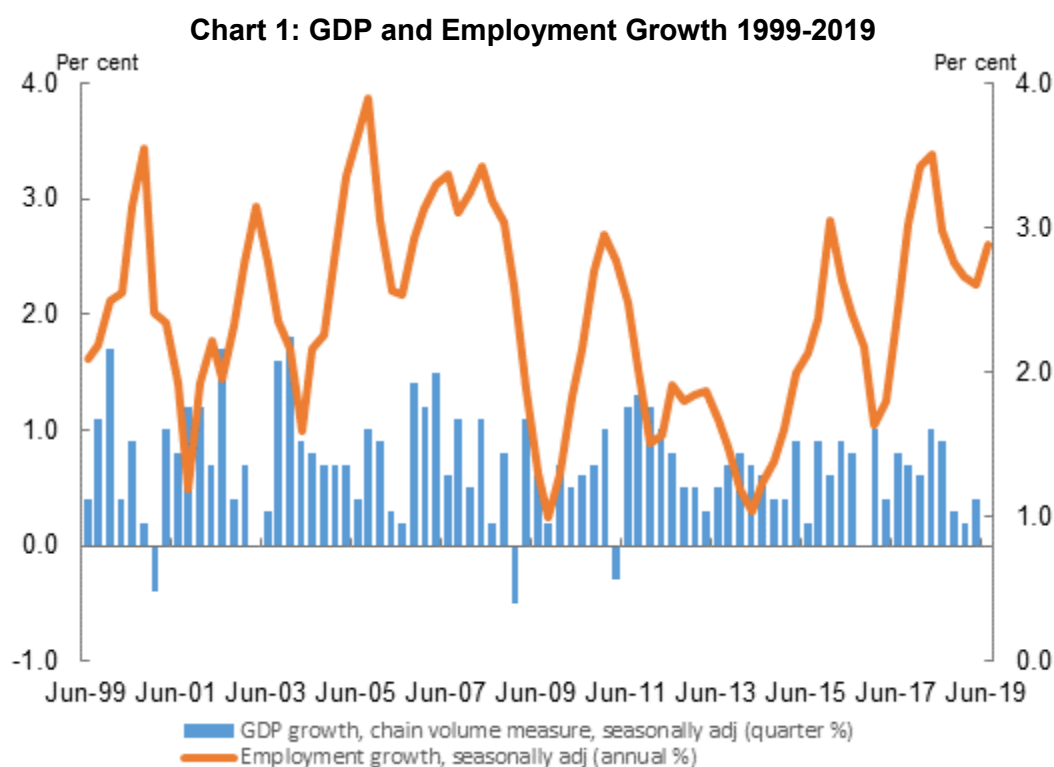
Contents

SECTION 1. EMPLOYMENT AND LABOUR MARKET OUTLOOK	3
SECTION 2. EMPLOYMENT CHALLENGES FOR AUSTRALIA.....	5
SECTION 3. CURRENT POLICY SETTINGS AND NEW COMMITMENTS.....	7
Broad economic settings	7
Incentives, investment and entrepreneurship.....	7
Labour markets and social protection	9
Active labour market programs	13
Policy measures targeting labour market disadvantage.....	14
SECTION 4. MONITORING AND REPORTING.....	23
Selected indicators	23
Collective commitment to increase female labour force participation	25
Collective commitment to achieve better employment outcomes among youth.....	28
CONCLUSION	30

SECTION 1. EMPLOYMENT AND LABOUR MARKET

OUTLOOK

The Australian economy has entered its 29th consecutive year of annual economic growth. This is expected to continue, with the economy forecast to grow by 2¼ per cent in 2019-20. Employment has increased by 2.1 per cent through the year to December 2019, above the average annual growth rate of 1.8 per cent over the last decade. The unemployment rate stood at 5.1 per cent in December 2019, slightly up from 5.0 per cent a year earlier.



Source: Australian Bureau of Statistics (ABS), *Australian National Accounts: National Income, Expenditure and Product*, June quarter 2019 (Cat. No. 5206.0), chain volume measure, seasonally adjusted data; and ABS, *Labour Force, Australia*, October 2019 (Cat. No. 6202.0), seasonally adjusted data, through-the-year growth rate to the June quarter.

Table 1: Economic and labour market conditions, 2008 (LHS) and 2018 (RHS)

	GDP per capita (\$US, 2010 terms)		Employment growth (%)	
Australia	\$US 42,444	\$US 46,942	2.8	2.7
G20 median	\$US 34,356	\$US 38,408	1.4	1.2
	Unemployment rate		Youth unemployment rate	
Australia	4.2	5.4	8.8	12.2
G20 median	6.2	5.4	14.8	15.2
	Participation rate (15+) (%)		Female participation rate (15+) (%)	
Australia	65.5	65.6	58.5	60.5
G20 median	60.3	61.3	50.7	52.7
	Working age (15 to 64) participation rate (%)			
Australia	76.5	78		
G20 median	72.4	73.6		

Source: ILOSTAT and OECD.Stat. (e) = estimated. Figures for G20 medians based on available data at time of report preparation. Department of Employment, Skills and Small and Family Business based on OECD.Stat short-term labour market statistics.

Table 2: Labour market forecasts for 2019-20

Employment growth	Unemployment rate	Participation rate
1.75 per cent	5 per cent	65.5 per cent

Source: Australian Government, Budget Strategy and Outlook: Budget Paper No. 1, 2019-20.

SECTION 2. EMPLOYMENT CHALLENGES FOR AUSTRALIA

Challenge: Supporting labour force participation

Population ageing poses a challenge to many advanced countries, including Australia. In 2015, the labour force participation rate for people aged 15 years and over was projected to fall to less than 63 per cent by 2054-55, compared with around 66 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.

Challenge: Supporting women's participation

Recognising the unique barriers that women face to labour force participation, in 2014 G20 Leaders set a goal of reducing the gender gap in participation rates by 25 per cent by 2025. For Australia, this will involve reducing the gap to 9.1 per cent. Good progress is being made in Australia with the twelve month average of the gender gap in labour force participation between working age men and women falling to 9.2 per cent as of December 2019. The working age female participation rate stood at an equal record high of 74.2 per cent in December 2019. Further support is also being provided for women to enter and stay attached to the workforce to improve their economic security.

Challenge: Addressing long-term unemployment

Addressing long-term unemployment is a priority for Government. This is reflected in the Government's New Employment Services Reforms which aims to ensure thousands of Australians do not face long-term exclusion from work. Addressing long term unemployment will improve the long-term economic outlook by avoiding the erosion of skills and job readiness caused by prolonged absence from the workforce.

Challenge: Youth unemployment

Young people tend to have less skills and experience than older members of the population. The youth unemployment rate stood at 11.5 per cent in December 2019, lower than the recent peak in October 2014 (14.4 per cent), but remains more than double the headline national rate of 5.1 per cent. Improving youth participation in employment, education or training is therefore a priority for the Australian Government.

Challenge: Boosting Indigenous employment

Improving education, economic development and labour market outcomes for Indigenous Australians is a significant priority. Aboriginal and Torres Strait Islander Australians face multiple barriers to employment compared with other Australians. While the majority of Indigenous Australians live in urban areas and participate fully in the economy, they continue to represent a high proportion of the unemployed. For people living in remote Australia there are fewer job opportunities. For Aboriginal and Torres Strait Islander people who live remotely, many have English as a second or more distant language. This creates further barriers to participation in an already limited job market.

Challenge: Managing structural change

Technological advancements have the potential to lift growth, productivity and raise living standards over the longer term. As such, managing structural change is an ongoing priority for the Government, in particular to prepare workers for the jobs of the future. Strengthening job creation requires an ongoing commitment to boosting economic growth and opening up employment opportunities through innovation and new forms of work. Investment in skills and active labour market assistance are essential to ensure existing and new entrants to the workforce are able to quickly adjust to changing labour market demands and connect with new job opportunities.

SECTION 3. CURRENT POLICY SETTINGS AND NEW COMMITMENTS

Broad economic settings

The Australian economy has entered its 29th consecutive year of annual economic growth. Australia is one of only ten countries in the world to have a AAA credit rating from the three leading credit rating agencies.¹ Real GDP is forecast to grow by 2¼ per cent in 2019-20 and is then expected to strengthen to 2¾ per cent in 2020-21. While employment growth will be underpinned by a strengthening economic outlook, leading employment indicators suggest that employment growth is likely to moderate. The unemployment rate is expected to be 5¼ per cent across the forecast period. Since September 2013, the Australian economy has created more than 1.5 million jobs. Strong employment growth in recent years has been accompanied by high participation rates, particularly for women. Australia's policy framework has played an important role in fostering this macroeconomic stability.

Incentives, investment and entrepreneurship

Private enterprise and investment are key drivers of economic growth and national prosperity in Australia. The Government's regulatory reforms are designed to enhance competitiveness, productivity and job creation by reducing the regulatory burden on businesses, community organisations and individuals. Following an initial reduction in regulatory burden of \$1 billion by September 2014, the Government had reduced the regulatory burden on business and the community by more than \$5.8 billion as at December 2016.

The Australian Government passed legislation in August 2018 to provide tax relief for around 3.4 million small and medium-sized businesses with aggregated annual turnover below \$50 million. Small and medium-sized companies currently facing a 27.5 per cent tax rate will have a 26 per cent rate by 2020-21 and a 25 per cent rate by 2021-22, which is five years earlier than previously legislated. The Government has also legislated to bring forward the increases to the unincorporated small business tax discount rate, rising from 8 per cent currently to 13 per cent in 2020-21 and to 16 per cent from 2021-22 (up to the existing cap of \$1,000).

The Government is delivering further tax relief as announced in the 2019-20 Budget, building on the tax relief announced in the 2018-19 Budget. Legislation enacting the changes was passed in July 2019. The Personal Income Tax Plan will be delivered in three steps, including: an enhanced low and middle income tax offset that will help support consumption growth, measures to address bracket creep, and the reduction of the marginal tax rate for Australians earning between \$45,000 and \$200,000. At its completion in 2024-25, the enhanced Personal Income Tax Plan will deliver a simpler tax system with only three tax rates.

Australia is building an environment where businesses can access the right skills and harness technology and science with the aim of creating growth and employment opportunities. The 2018-19 Budget made a \$2.4 billion investment in Australia's research, science and technology capabilities, including:

¹ <https://www.austrade.gov.au/news/economic-analysis/a-vote-of-confidence-australia-retains-aaa-rating>

- \$1.9 billion over 12 years in additional, long-term funding for national research infrastructure; and
- measures that will deliver improved infrastructure, a new space agency and opportunities to skill the workforce and boost export competitiveness

These initiatives build on the \$1.1 billion National Innovation and Science Agenda (NISA), launched in 2015, which set a focus on science, research and innovation as a key long-term driver of economic prosperity, jobs and growth. The NISA is structured around four key pillars: culture and capital; collaboration; talent and skills; and government as exemplar. The NISA includes measures to increase the supply of venture capital, commercialise more of Australia's medical research; increase the participation of girls and women in science, technology, engineering and mathematics (STEM), and increase collaboration between researchers including internationally through the Global Innovation Strategy.

The Australian Government has increased funding support for transport infrastructure projects to improve productivity, connections with product markets and get people to their jobs more quickly and safely. In the 2019-20 Budget, the Government increased its investment in land transport infrastructure to \$100 billion over 10 years from 2019-20.

Through an industry-led process, the Industry Growth Centres Initiative aims to drive innovation, productivity and competitiveness. Under the initiative, six independent not-for-profit Growth Centres have been established in industry sectors of competitive strength and strategic priority:

- advanced manufacturing
- cyber security
- food and agribusiness
- medical technologies and pharmaceuticals
- mining equipment, technology and services
- oil, gas and energy resources

Consistent with the G20 Entrepreneurship Action Plan agreed in 2016, the Australian Government is implementing a range of measures to encourage entrepreneurship and innovation, in addition to existing policies and programs. New Business Assistance with NEIS² helps people to start and run their own small business by providing accredited small business training, business mentoring and advice. The program is delivered across most of Australia by a network of organisations including Business Enterprise Centres, technical and further education institutes, community organisations and private sector businesses. From July 2015 to July 2019, the program has helped around 25,000 people to start their own business.

Entrepreneurship Facilitators operate in 23 locations around Australia. The facilitators bring together available services and programs, and provide practical assistance to people in those locations to help them develop their ideas into successful businesses. Facilitators offer mentoring and business support, engage with relevant community organisations to increase awareness of the opportunities available through self-employment and refer participants to the most appropriate assistance available in the region, including New Business Assistance with NEIS. The Facilitators can provide assistance to anyone interested in starting or running their own business. To date, the program has assisted over 31,000 people.

² NEIS – New Enterprise Incentive Scheme

The Government is delivering policies to incentivise and grow Indigenous businesses, entrepreneurship and access to diverse markets. Since 2015 the Government has delivered the Indigenous Procurement Policy (IPP) to leverage the Commonwealth's annual multi-billion procurement spend to drive demand for Indigenous goods and services, stimulate Indigenous economic development and grow the Indigenous business sector. Since its inception, the IPP has seen over 1500 Indigenous businesses win Australian Government contracts worth more than \$2 billion. In February 2018 the Government launched its 10-year Indigenous Business Sector Strategy which will further support a vibrant and thriving Indigenous business sector across Australia, including remote Australia.

Labour markets and social protection

Labour market regulation

Australia has a safety net of ten National Employment Standards set out in the *Fair Work Act 2009*, modern awards and national minimum wage orders, providing a safety net of minimum pay and conditions for employees in the national workplace relations system. The system is overseen by an independent body, the Fair Work Commission, which sets the national minimum wage as well as modern award wages and conditions. The Fair Work Commission also approves enterprise agreements and can act as an arbiter in industrial disputes.

Employers and employees can collectively bargain for enterprise agreements that leave employees better off overall in comparison with the relevant modern award. A focus of the Fair Work Act is to enable employers and employees to make enterprise agreements that achieve productivity and fairness. This approach allows businesses to make agreements that suit their specific circumstances while providing employees protections at work.

The Fair Work Ombudsman (FWO) enforces compliance with the *Fair Work Act 2009*, related legislation, modern awards and registered agreements. The FWO plays a key role in providing advice and education on pay rates and workplace conditions to employers and employees to help them understand their rights and obligations. The Australian Government recently committed to provide a further \$21.6 million over four years from 2019-20 to enhance the FWO's capacity to conduct investigations and improve understanding of workplace rights, building on the additional \$40.6 million in funding provided to the FWO since 2016-17.

Australia routinely reviews and updates its employment laws to ensure appropriate protections and sufficient flexibility for business. Recent measures taken by the Australian Government to protect vulnerable workers include:

- higher penalties (up to 10 times the previous amount) for 'serious contraventions' of prescribed workplace laws
- strengthening the FWO's evidence gathering powers
- establishing the inter-agency Migrant Workers' Taskforce to ensure strong collaboration and a whole-of-government approach to addressing exploitation of migrant workers

Australia is committed to eradicating the crimes of human trafficking and modern slavery. A Modern Slavery Act came into force in December 2018 establishing a reporting requirement applying to large businesses, who will detail actions to address modern slavery in their operations and supply chains. The Australian Government will publish an annual report on potential modern slavery risks in

Commonwealth procurement. Other initiatives will include providing support and advice to business on these issues.

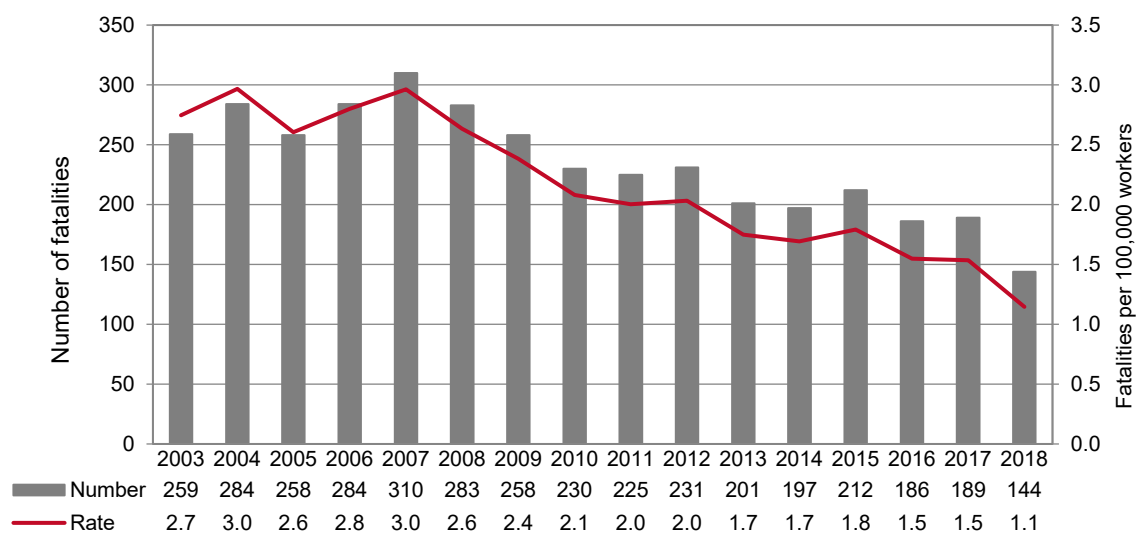
Australia has ratified the most significant international treaties to abolish elements of modern slavery, including conventions concerning forced labour and child labour. The Government is currently progressing ratification of the Protocol of 2014 to the International Labour Organization’s Forced Labour Convention and considering the Minimum Age Convention 1973 (No.138) for ratification. The Australian Government is also active in regional and multilateral initiatives to improve labour standards and practices in supply chains, such as the Better Work initiative and Alliance 8.7.

Workplace Safety

Australia has a range of work health and safety (WHS) bodies focused on improving WHS outcomes. The national model WHS laws provide a framework to protect the health and safety of all workers, regardless of the work they do or where they work. The key national activities to improve WHS are guided by the *Australian Work Health and Safety Strategy 2012-2022* (Australian Strategy). The *National Return to Work Strategy 2020-2030* complements the Australian Strategy and aims to improve return to work outcomes for workers with a work-related injury or illness.

Australia has steadily improved its WHS performance over the last decade (Chart 2). Between 2007 and 2018, there was a 62 per cent decrease in the incidence rate of traumatic injury fatalities. The rate of serious workers’ compensation claims for injury and disease has also declined by 43 per cent, from 16.3 claims per 1000 employees in 2000-01 to 9.3 claims per 1000 employees in 2016-17.

Chart 2: Worker fatalities: number of fatalities and fatality rate, 2003 to 2018



Australia has introduced a range of measures to improve WHS, in line with the *G20 Statement on Safer and Healthier Workplaces* adopted in 2014:

- **Ongoing assessments and effective incentives and advisory services provided by national safety and health bodies** – Safe Work Australia (SWA) is Australia’s national WHS

policy body which works in partnership with governments, employers and employees to drive national policy development on WHS and workers' compensation. The Commonwealth, states and territories have responsibility for regulating and enforcing WHS laws and administering workers' compensation schemes in their respective jurisdictions.

- **Strengthened legislation and resource for prevention and compensation, training, compliance assistance and enforcement efforts** – In 2011, SWA developed a single set of model WHS laws to be implemented across Australia. The laws include the model WHS Act, the model WHS Regulations, and model Codes of Practice. The Commonwealth, states and territories have implemented these as their own laws, with the exception of Victoria and Western Australia, although these jurisdictions have similar systems. In 2018, SWA commissioned a comprehensive independent review of the model WHS laws (2018 Review). The 2018 Review examined whether the model WHS laws are operating as intended and are achieving their objectives. The report of the 2018 Review was published in February 2019 and includes 34 recommendations, which will be considered by Commonwealth, state and territory WHS ministers in the first half of 2020, following a regulatory impact assessment during 2019.
- **Improved data collection and use of empirical data to inform program design and effectively target enforcement and outreach efforts** – SWA conducts a range of research on WHS and workers' compensation issues. SWA also plays an important role in compiling a number of key national WHS and workers' compensation data sets and publishes a range of statistical reports on work-related injuries, illness and fatalities.
- **Action taken to improve WHS conditions for vulnerable workers and in high-risk sectors** – The Australian Strategy identifies particular priority industries and conditions as national priorities. The mid-term review of the Australian Strategy identified vulnerable workers and occupational violence as areas for greater national focus. Some recent examples of SWA's work in vulnerable and high-risk sectors include enhancing guidance to help businesses engaging or hosting labour hire workers meet their WHS duties, and a new occupational lung diseases work plan that was prompted, in part, by a significant increase of accelerated silicosis cases in Australia.
- **Raised awareness of the importance of WHS particularly among small and medium enterprises** – SWA has developed practical guidance for small businesses in ensuring healthy and safe workplaces. For example, in 2018-19 SWA published a range of practical material to help small business owners and operators understand and meet their WHS duties including guidance on officers' duties; how to store chemicals safely; and working in heat. WHS regulators across Australia also offer a range of free information and services tailored to meet the individual needs of small businesses, such as access to support, advice and workshops on achieving health and safety in the workplace.

Social protection

A job is the most important form of social protection. Australia's social protection system is made up of a variety of policy levers, such as employment services and income support, subsidised health care and education, and the retirement income system.

Employment services are delivered through a network of providers, with more intensive labour market services available to support people who face greater disadvantage. The overall goal is to ensure that workers can move between jobs and are able to access the assistance that they need to regain employment quickly.

Australia's non-contributory social security system³ and labour market programs are closely aligned, and have a strong focus on assisting people with the capacity to work to enter employment. Tight means-testing of benefits combined with extensive activation measures ensures that there are strong incentives to encourage those who are able to work or study, whilst providing support to those who are unable to work. The coverage and targeting of these measures is consistent with the policy recommendations adopted by G20 Labour and Employment Ministers in 2016.

The Australian tax-transfer system, as the main element of social support system, plays a key role in distributing income among Australian households, through a targeted system of cash payments (including income support and family payments), in-kind support (such as subsidised health care and education) and a progressive income tax system.

The Australian Government has implemented the Australian Priority Investment Approach to Welfare to improve the wellbeing and life outcomes of the most vulnerable in our society. The Approach seeks to identify groups at most risk of long-term welfare dependence, with a view to investing early in initiatives to build their capacity and give those with capacity a better opportunity to find work.

Underpinned by a custom-built longitudinal social security dataset, the Approach uses actuarial modelling to analyse the long-term welfare trajectories of the Australian population, including related future lifetime costs. Insights from the analysis have provided a better understanding of pathways in and out of disadvantage for groups most at risk, allowing identification of critical intervention points across the life course. This analysis has informed policy and program development, including priority groups for the Australian Government's \$96.1 million Try, Test and Learn (TTL) Fund.

The TTL Fund is trialling new or innovative approaches to assist some of the most disadvantaged people in society onto a path towards stable, sustainable independence. The objective of the fund is to generate new insights and empirical evidence into what works to reduce long-term welfare dependence to inform government policy.

The priority groups are young carers and working-age carers, young parents, young students and at-risk young people, working-age migrants and refugees, older unemployed people, and any other group at risk of long-term welfare dependence. Two tranches of the TTL Fund have been implemented. The projects are at varying stages of delivery; some finished delivery in 2019, some will finish in early 2020, and others are beginning to deliver services in late 2019.

³ Australia's social support system includes cash transfer payments to individuals and families, and a range of support services funded or provided by all levels of government and civil society (commercial and community organisations). The system is intended to help meet the costs of daily living, increase participation in work and social activities, and build individual and family functioning. Transfer payments include income support payments to help meet daily living expense costs and other payments and supplements to help meet specific costs (such as family payments to assist with the costs of children).

Australia's retirement income system has three main pillars: compulsory superannuation contributions; voluntary savings, including superannuation and housing; and a Government-funded non-contributory and means-tested Age Pension safety net. The aim of this system is to provide people with income in retirement to substitute or supplement the Age Pension.

Active labour market programs

The Australian Government provides employment services to job seekers through a network of private and community sector entities. There are three main employment programs: jobactive for job seekers living in non-remote areas, Disability Employment Services for people with disability, injury or health condition, and the Community Development Program for job seekers in remote areas.

The Australian Government's \$6.6 billion mainstream employment service known as jobactive has an outcomes-focused approach and offers a mix of incentives, services and obligations to help job seekers into sustainable work. Job seekers are required to actively look for work and participate in activities designed to build their capabilities, and do all they can to improve their chances of getting a job. Services to job seekers and employers are delivered by a network of jobactive providers in around 1700 locations across Australia. Mainstream employment services in Australia are complemented by targeted programs that offer additional supports where necessary to certain cohorts that may face greater challenges in finding work than others (such as additional supports for youth, women, parents, Indigenous Australians, mature-age job seekers and others).

The Australian Government invested \$249.8 million over five years from 2018-19 in the 2019-20 Budget to trial key elements of a new mainstream employment services model from 1 July 2019 to 30 June 2022, and extend complementary programs. The new model was informed by extensive consultation with a range of stakeholders including job seekers, employers and employment services providers. Under the new model, the Government will harness technology to support the most job-ready job seekers to largely self-service, enabling employment services providers to focus on those most in need. These changes build on the G20 Principles for Effective Public Employment Services adopted by G20 Labour and Employment Ministers in 2015.

Given the scale of change, the trial is being phased in gradually across two regions (Adelaide South, South Australia and the Mid North Coast, New South Wales), providing an opportunity for ongoing user testing ahead of the national rollout from July 2022. Key elements of the new model to be tested include:

- a new job seeker assessment framework
- new service offers that better reflect job seeker needs, named Digital First, Digital Plus and Enhanced Services
- a more flexible participation requirement system, and
- new performance management and payment structures.

Contracts for the current mainstream model for job seekers living in non-remote areas (jobactive) will be extended in all other regions during the trial period.

The Australian Government funds Disability Employment Services (DES) providers to deliver uncapped open employment services for job seekers with disability. This includes individualised, tailored assistance with an emphasis on employment, skills development, education and training. Job seekers participating in DES are encouraged to choose their preferred provider, to ensure that the

services they receive are right for them. These policies are consistent with the G20 Principles for the Labour Market Integration of Persons with Disability agreed by G20 Labour and Employment Ministers in 2018.

While the focus of DES is for job seekers whose primary barrier to employment is their disability, injury or health condition, job seekers with disability can also receive assistance from the mainstream employment service Jobactive, Transition to Work (which provides pre-employment support to young people) ParentsNext and the Community Development Program (CDP) if eligible.

The CDP supports job seekers in remote Australia to build skills, address barriers and contribute to their communities through a range of flexible activities. The program is tailored to the unique social and labour market conditions in remote Australia. In 2019, the Australian Government introduced a number of CDP reforms which were designed to create jobs, improve engagement, and enhance community say in how the CDP is delivered.

Policy measures targeting labour market disadvantage

Indigenous people

Indigenous Australians experience low labour force participation and higher unemployment rates compared with non-Indigenous Australians. The Australian Government has implemented measures to help accelerate progress towards parity in employment outcomes between Indigenous and non-Indigenous Australians. Measures to improve Indigenous employment outcomes include:

- a \$55.7 million Closing the Gap – Employment Services package, which includes measures to increase the number of Indigenous Australians engaged with the labour market and build the capacity of employment services to better connect Indigenous job seekers with jobs.
- as part of the Closing the Gap – Employment Services package, establishing the Time to Work Employment Service. This provides Indigenous prisoners with access to coordinated Australian Government funded in-prison employment services, including the development of a transition plan and a facilitated transfer to their employment services provider on release.
- the Employment Parity Initiative, which involves working with large employers 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.
- funding support to employers and service providers to connect working age Indigenous Australians with real and sustainable jobs, as well as assisting Indigenous school students to transition from education into sustainable employment.
- the Vocational Training and Employment Centre programme and Tailored Assistance Employment Grants programme to deliver jobs to highly disadvantaged Indigenous job seekers across Australia and support them and their employers to 26 weeks in work.
- an Indigenous Procurement Policy applying to the Australian Government's domestic procurement. This will leverage the Commonwealth's annual multi-billion dollar procurement spend to drive demand for Indigenous goods and services, stimulate Indigenous economic development and grow the Indigenous business sector. An Indigenous Entrepreneurs package will also contain targeted support for small businesses.

Mature age people

Responding to the challenges posed by the accelerating ageing of our societies, the Australian Government continues to implement the G20 Principles on Silver Economy and Active Ageing as agreed by G20 Labour and Employment Ministers in 2015. For example the Australian Government's 2018-19 Budget had a particular focus on helping older Australians to remain in the workforce and supporting flexibility in their later working years, with jobs and skills measures contained in the More Choices for a Longer Life package. The Government supports older Australians to continue to build their capabilities by implementing a number of measures such as:

- the Skills Checkpoint for Older Workers program for Australians aged 45 to 70. The program will provide eligible Australians with advice and guidance on transitioning into new roles within their current industry or pathways to new careers, including referral to relevant education and training options. Eligible individuals will be employed and at risk of entering the income support system, or recently unemployed and not registered for assistance through an employment services program.
- trialing a new Skills and Training Incentive (Incentive) to encourage older Australians to enhance their skills and take advantage of new career opportunities. Up to \$2200 (GST inclusive) per participant (matched by either the participant or their employer) will be provided to fund reskilling opportunities. Participants aged 45 to 70 years who have completed the Skills Checkpoint and have training identified in their Skills Checkpoint assessment will be eligible for the Incentive.
- an online Skills Match tool to assist workers to find jobs that closely match their skills and attributes
- bringing forward the national rollout of the Career Transition Assistance program (announced in the 2017-18 Budget) by a year to 1 July 2019 so older Australians can benefit sooner from guidance and training to be competitive in their local labour market. The national rollout extends eligibility to 45 to 49 year-olds, beyond the previous age bracket of 50 years and over
- expanding the Entrepreneurship Facilitators initiative to 20 additional locations to promote self-employment among older Australians.

Employers also have a role in supporting older Australians. This will be achieved in part by working with industry, via a Collaborative Partnership on Mature Age Employment, to drive cultural change in hiring practices and combat age discrimination in workplaces. A Restart wage subsidy of up to \$10,000 (GST inclusive) is available to employers to encourage them to hire older Australians who are 50 years of age and who have been receiving income support or a qualifying pension.

These measures build on the Mature Age Employment Package, part of broader Working Age Payment Reforms, in the 2017–18 Budget. This package included a new Career Transition Assistance program, a series of Pathway to Work pilots to prepare and train job seekers for specific vacancies, and an expansion and enhancement of the National Work Experience Program.

These increased support services accompany changes to mutual obligations for mature age job seekers. Changes to participation requirements have been designed to increase the time people spend in activities that lead to work, better connect them with the labour market and better align requirements with community expectations.

- For their first 12 months on payment, job seekers aged 55 to 59 will no longer be able to fully meet their mutual obligation requirements through undertaking 30 hours per fortnight of any

combination of volunteer or paid work. Instead, at least 15 of the 30 hours will need to be in paid work to fully meet their requirements.

- Those aged between 60 and the Age Pension eligibility age (currently 66 years), who currently have no Annual Activity Requirement (AAR), will have an AAR of 10 hours per fortnight.

People with disability and carers

The National Disability Strategy 2010-2020 is Australia's overarching framework for driving a more inclusive approach to the design of policies, programs and infrastructure so people with disability can participate in all areas of life and have economic security. It is the primary mechanism for implementing the United Nations *Convention on the Rights of Persons with Disabilities* in Australia.

All levels of Government are working together to develop a new National Disability Strategy. The new Strategy will be a driving force to improve the policies, programs and infrastructure that support people with disability to participate in all areas of Australian life. Consultations to date have indicated that the six policy outcomes within the current Strategy, including economic security, should be retained as part of a new Strategy. Further consultations on a new Strategy will continue in early 2020.

Commitments to improve labour market participation for people with disability and carers include:

- the Australia-wide roll-out of the National Disability Insurance Scheme (NDIS), which is aimed at improving the wellbeing and economic and social participation of people with disability and their carers. Once the NDIS reaches full scheme in 2020, it is estimated to cost \$22 billion a year and provide support to around 460,000 people with disability.
- continued investment of more than \$3 billion over four years into the DES program, including the introduction of reforms in July 2018 fostering greater choice and control by people with disability in selecting the services they need to find and maintain employment
- an additional \$85.6 million over four years for the introduction of new services for carers through an Integrated Carer Support Service model. The early intervention model will help sustain carers in the caring role, improve their ability to stay in touch with work, complete their education and participate in the community.
- Since 1 July 2014, most Disability Support Pension recipients aged under 35 who are assessed as having a work capacity of at least eight hours a week, must undertake a compulsory work focused activity to increase their ability to build capacity and re-engage in the community and workforce.

The Australian Government is developing a National Disability Employment Strategy to increase the employment prospects of all people with disability. The Strategy will seek to improve the effectiveness of current supports, reduce duplication and inefficiencies, and implement new initiatives to help more people with disability find work. This work will recognise that people with disability should have full access to the full suite of options for employment – including self-employment, supported employment, or mainstream private and public sector employment. Further, the Government will partner with employers to build their capacity and confidence to hire people with disability.

The long-term structural shift in employment in services industries is projected to continue over the coming five years, providing significant job opportunities. In particular, employment in Health Care and Social Assistance, the main source of new jobs in the Australian labour market since the 1990s, is projected to increase by 252,600 people (or 15.0 percent) over the five years to May 2024. The

resulting increase in this industry's share of total projected employment growth will be largely due to the full implementation of the NDIS and the ageing population in Australia. Various government measures to support growth, quality and equity in the sector – such as health, aged care and NDIS workforce strategies and other initiatives – enable workers to harness emerging job opportunities. The Australian Government has committed around \$190 million since the Scheme's commencement to fund initiatives supporting the growth of the NDIS provider market and workforce.

Regional areas

Unemployment rates across Australia vary widely and tend to increase outside of capital cities. Engagement in work or study by disadvantaged cohorts, particularly young people, women and Indigenous Australians, also tends to be lower in regional or remote areas. Key commitments to improve employment opportunities in disadvantaged regions of Australia include:

- the Regional Growth Fund, a \$272.2 million investment program to provide grants for \$10 million or more for major infrastructure projects, which support long-term economic growth and create jobs in regions, including those undergoing structural adjustment
- the Building Better Regions Fund (BBRF) of nearly \$842 million which will create jobs, drive economic growth and support strong regional and remote communities across Australia by funding infrastructure and community investment projects. The current round of the BBRF is targeting communities affected by drought.
- a range of measures to support the economic development of northern Australia over the next 20 years, including the \$5 billion Northern Australia Infrastructure Facility and actions to increase skills development and expand the labour force in this region
- changes to Harvest Labour Service Scheme in April 2019 to encourage more Australian job seekers to take up seasonal work

In addition to the tailored services provided through the Government's national jobactive employment services program, the Government introduced the \$18.4 million Regional Employment Trials program as part of the 2018-19 Budget. The program operates in ten selected disadvantaged regions and allows local stakeholders to design solutions to local employment programs. In trial regions, Employment Facilitators work with Regional Development Australia committees to develop local employment projects. Projects bring together stakeholders and employment service providers to tackle employment challenges. Examples of projects that could be funded include:

- engaging mature aged residents and local business leaders in a mentoring program
- preparing job seekers for an upcoming infrastructure project
- work experience programs that provide local employment opportunities

Workers in industries facing major structural change

Structural change is an ongoing feature of the Australian economy as it constantly transitions to new markets, technologies and new forms of work. As agreed by G20 Labour and Employment Ministerial Declaration of 2014, the Australian Government directly engages with employers undergoing restructuring to promote best practice and connect workers to available support and become more resilient to different circumstance. The Government has developed a number of initiatives to support workers through the transition process including:

- the \$10.3 million Stronger Transitions package which commenced on 1 July 2018 to help retrenched workers with pre and post-retrenchment support and take advantage of labour market opportunities. It is available in the following regions: Adelaide, Mandurah, North Queensland, North/North-West Tasmania and Melbourne North/West.
- Jobs Fairs to bring together job seekers, employers and employment services to provide an opportunity for job seekers to talk face to face to employers and learn about jobs, training and career options available in their region.
- intensive employment assistance for impacted workers and their partners, most recently those from ASC Shipbuilding Pty Ltd in Adelaide. This includes pre-retrenchment career advice, training, labour market information and employment services to help workers transition to new jobs.
- providing retrenched workers and their partners with immediate access to employment services before they become eligible for income support.
- launching the Redundancy Information Statement (RIS). The RIS is a resource for employers to provide to their retrenched workers. The RIS assists workers to understand their individual rights and entitlements, act quickly to look for a new job and plan how best to use their finances.
- The Department of Employment, Skills, Small and Family Business' *What's Next? Website* was fully revamped in 2019. The new website makes it easier for retrenched workers to find the information they need, when they need it. But importantly, it now has material directed targeted at employers promoting socially responsible restructuring and better practice advice from employers who have recently retrenched workers.

The Australian Government worked closely with automotive manufacturing companies, their workers and state governments in South Australia and Victoria to support workers affected by the transition of the car manufacturing industry. The Automotive Industry Structural Adjustment Program finished 30 June 2019. Employment Facilitators are also an essential component of the Governments assistance to job seekers, including retrenched workers. In 2018-19 fifteen Employment Facilitators provided support across thirteen Australian regions. Employment Facilitators help to facilitate government initiatives such as the recently commenced Regional Employment Trials and the Stronger Transitions program. They also work directly with companies retrenching workers and retrenched workers to connect them with training, job opportunities and other existing support

Migrants

As part of the Australian Government's commitment to protect vulnerable workers, a cross-agency Migrant Workers' Taskforce was established in October 2016 to identify further improvements in law, law enforcement and investigation, and other practical measures to more quickly identify and rectify any cases of migrant worker exploitation. In the 2019-20 Budget, the Government announced several measures responding to recommendations in the Migrant Workers' Taskforce Report. Additional funding will be provided to the Fair Work Ombudsman to bolster enforcement action against employers who exploit vulnerable workers. Funding will also be provided to enhance resources to ensure vulnerable workers are aware of their workplace rights.

The Government is also making changes to provide better support for newly arrived refugees. In the 2019-20 Budget, it announced the Better Targeting of Support for Refugees measure aimed at improving the sequencing of assistance across Government Programs. From 1 January 2020, newly arrived refugees receiving activity tested income support will only be required to enter into jobactive once they have been receiving income support for up to 12 months (instead of 6 months, as is

currently the case). During their first 12 months, refugees will receive existing support to settle in Australia through the Humanitarian Settlement Program (HSP) and to improve their English language proficiency through the Adult Migrant English Program (AMEP). In an important change, refugees who wish to voluntarily participate in jobactive prior to the 12 month mark will be able to access the full suite of jobactive services commensurate with their level of disadvantage. This measure builds on the Streamlining Services for Refugees measure that commenced on 1 January 2019, and aims to support newly arrived refugees to better focus on settlement and language assistance before looking for a job.

Skills development

Australia has experienced growth in demand for skilled labour that has outstripped growth in demand for unskilled labour. A workforce with a high level of foundation skills (such as language, literacy, numeracy and digital literacy) is better able to adapt to the dynamic shifts occurring 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 promote job creation. As agreed by the joint G20 Education and Labour Ministerial Declaration of 2018 our skills development policy is helping deliver skills for an inclusive future. Some of our measures include:

- reforms to improve outcomes at all levels of education and training, including by ensuring that education and training is relevant to employment opportunities
- ongoing funding through the Skilling Australians Fund (SAF), to support the training of Australians – prioritised towards apprenticeships and traineeships in industries and occupations in demand
- investment under the National Innovation and Science Agenda (NISA) to encourage people of all ages to engage with STEM
- the Australian Apprentice Wage Subsidy trials, which support businesses in rural and regional Australia to engage an apprentice in areas of skills needs
- a suite of measures to strengthen the VET system, in response to the *Expert Review of Australia's Vocational Education and Training System*, published in April 2019, which recommended reforms to ensure Australians have the skills to succeed in a changing labour market
- establishment of the National Careers Institute to provide leadership in the delivery of high quality, evidence-based career advice to enable Australians to make informed decisions about their learning, training and work pathways.

School education

Under the Quality Schools package, the Australian Government is providing \$310.3 billion for Australian schools from 2018 to 2029. Commonwealth funding is growing from \$18.7 billion in 2018, to \$25.9 billion in 2023 and \$32.4 billion in 2029. Under these arrangements, students with the same need within the same sector will attract the same support from the Commonwealth, regardless of the state where they live. Students with greater needs will attract higher levels of funding from the Commonwealth.

National Career Education Strategy

The National Careers Institute oversees the delivery of *Future Ready: A student focused National Career Education Strategy*, which aims to prepare students for life beyond school and the jobs of the future. The vision of *Future Ready* is that every student in every school has access to high-quality career

education to help them make a successful transition from school to further education, training, work or a combination of these.

Schools, teachers, careers advisers, parents, employers, and career educators can access online resources to help support secondary students make informed decisions about their future careers and study options through the new *schooltework* website.

The *schooltework* website houses resources funded by the Australian Government and was developed in partnership with state and territory education departments, business and industry and career education groups. Resources include toolkits for school and industry partnerships, articles for parents to have career conversations about post-school study options and apprenticeships and examples of transition programs supporting Aboriginal and Torres Strait Islander students.

Vocational education and training – including apprenticeships and foundational skills

Australia's vocational education and training (VET) system operates nationally by agreement between the federal, state and territory governments, with input from industry. To support access and participation in VET, the Australian Government provides funding directly to state and territory governments for VET delivery, as well as income-contingent loans to students undertaking higher-level VET qualifications. The Australian Government's VET policy agenda includes implementing arrangements for developing and maintaining nationally recognised and quality-assured competency standards and qualifications to ensure they are driven by the needs of workplaces.

The Australian Government and state and territory governments support a VET system that delivers a productive and highly skilled workforce through the National Agreement on Skills and Workforce Development. The Agreement enables all working age Australians to develop the skills and qualifications needed to participate effectively in the labour market and contribute to Australia's economic future, and supports the achievement of increased rates of workforce participation.

The Australian Government established the ongoing Skilling Australians Fund (SAF) on 1 July 2017 to support the training of Australians, prioritised towards apprenticeships and traineeships in priority industries and occupations in demand. From 1 July 2018, the SAF is managed through a National Partnership with six state and territory governments until 30 June 2022. Outcomes under the National Partnership are achieved through state-based projects that contribute to Australia's economic productivity and growth by providing more opportunities for Australians to gain the skills they need for jobs in demand. In addition to providing funding to state and territory governments to support apprenticeship training, the Australian Government also funds a range of incentives for employers and apprentices to ensure that the system delivers the skilled labour required in businesses.

In response to the *Expert Review of Australia's VET System*, the Australian Government has committed over \$585 million to a range of measures to improve the national system. The *Delivering Skills for Today and Tomorrow* package is designed to strengthen Australia's VET system so that it delivers a more productive and highly skilled workforce, and enables working age Australians to participate effectively in the labour market, now and in the future. It promotes a national approach to skills development, enhances the role of industry, and aims to improve the status and appeal of VET so it is seen as a valuable choice for Australians at all ages and stages of their careers – including school leavers, those looking to upskill in their current job, and those looking to adapt their skills to alternative industries.

The following measures support Australians to gain new skills, re-skill and upskill throughout their entire lives, and lay the foundations for longer term, systemic reforms:

- the new National Skills Commission will provide national leadership for the VET system and drive long-term improvements through research and analysis of future skills across industry by examining options for a nationally consistent approach to funding VET qualifications. Supporting quality training and improving access and the relevance of training will also be key considerations for the Commission.
- pilot Skills Organisations are testing new approaches to industry leadership of the training system in three target industries: human care services, digital technologies and mining. These new approaches give industry the opportunity to shape the training system to be more responsive to its skills needs.
- the new National Careers Institute and National Careers Ambassador are working with industry, governments, employers, schools and tertiary education providers to better connect information about learning, training and work pathways. By providing leadership in the delivery of high quality, evidence-based career development, the Institute will enable Australians to make informed decisions about their learning, training and work pathways.
- the Additional Identified Skills Shortage Payment, introduced from 1 July 2019, increases support for apprentices and boosts the supply of skilled workers in occupations experiencing national skill shortages.
- the National Skills Needs List is being reviewed, informed by consultation with industry and employer groups, to develop a robust and enduring approach to determining how apprenticeship incentives address skills shortages, support employers' needs and build a skilled workforce. The review will ensure the new methodology for determining skills shortage occupations is forward looking and that the new list is reflective of labour market demands.
- this revised methodology will underpin the new streamlined Incentives for Australian Apprenticeships program, commencing 1 July 2020, which will make it simpler and easier for employers to access financial support for employing an apprentice or trainee.
- the language, literacy, numeracy and digital literacy (LLND) skills of Australians will be improved through the new Foundation Skills for Your Future initiative. Four Remote Communities Pilots will also provide tailored and flexible LLND skills training to meet local community needs in remote communities. Both initiatives are commencing in early 2020.
- ten new Industry Training Hubs in selected regions with high youth unemployment will benefit young people by creating better connections between schools and local industry. The first two Training Hubs – in Burnie, Tasmania, and Townsville, Queensland – are commencing in early 2020 and the remaining eight will commence in 2021.
- from early 2020, 400 young people in these same 10 regions will be able to apply for Commonwealth Training Scholarships for Young Australians to support them to undertake VET courses and work placements.
- the Energising Tasmania initiative will enable Tasmanians to access training to meet the skills needed for the energy sector and to support the Battery of the Nation initiative.
- the VET Student Loans program is being reviewed to inform possible changes to the role the program plays in the overarching VET funding model and to find ways to reduce red tape and improve user experience with the program.
- the Government is reforming the Australian Skills Quality Authority in response to key recommendations from recent independent reviews. The reforms will support the VET regulator to evolve a more modern, educative regulatory approach, ensuring its approach is fair, transparent, effective and supports high-quality outcomes for students.

- the Jobs and Education Data Infrastructure project is using big data and machine learning capabilities to power a tool that will help tertiary providers design courses that are better aligned to labour market needs.
- in 2019, the Australian Government announced the Revitalising TAFE Campuses Across Australia initiative to support Australia's Technical and Further Education (TAFE) institutes, which are owned and operated by state and territory governments. This additional funding will ensure TAFEs are equipped to deliver training to the standards expected by industry and students.

Higher education

The Australian Government contributes to labour market participation by enhancing the accessibility of university and higher education including through a direct contribution to the cost of educating all Australian Government supported students, along with access to income-contingent loans.

SECTION 4. MONITORING AND REPORTING

Selected indicators

Table 3: Selected economic and labour market indicators

Indicator	2008	2018
GDP growth (real) (%)	2.5	2.7
GDP per capita (2010 \$US constant prices in PPP)	\$US42,444	\$US 46,942
Employment growth (%)	2.8	2.7
Employment-population ratio (for 15-64) (%)	73.2	73
Unemployment rate (%)	4.2	5.4
Incidence of long-term unemployment (%)	14.9	23.5 (2017)
Participation rate (for population aged 15-64) (%)	76.5	78
Participation rate (for population aged 55-64) (%)	58.9	66.6
Participation rate (for population aged 65+) (%)	9.4	13.9
Participation rate (for women aged 15-64) (%)	70.0	73.2
Sectoral composition of employment (as a % of total employment)\		
• Agriculture	3.3	2.6
• Construction	9.2	9.3
• Manufacturing	12.4	10.1
• Services	75.1	78.1

Source: ILOSTAT and OECD.Stat. Note: Data in Tables 3 and 4 have been sourced from the OECD/ILO to aid international comparability.

Table 4: Selected policy indicators

Indicator	2008	Latest available
Gini coefficient (income Gini)	0.336	0.33 (2016)
Poverty (% below national poverty line)	14.6	12.1 (2016)
Minimum relative to average wages of full-time workers (a)	44.9	46 (2017)
Collective bargaining coverage (% workers) (b)	47.7	47.1 (2016)
Labour income share (%) (c)	61.4	57.2 (2017)
Non-agricultural labour income share (%)	61.1	
Proportion of 20-24 year olds with Year 12 equivalent or higher qualifications	84.2	88.8 (2018)

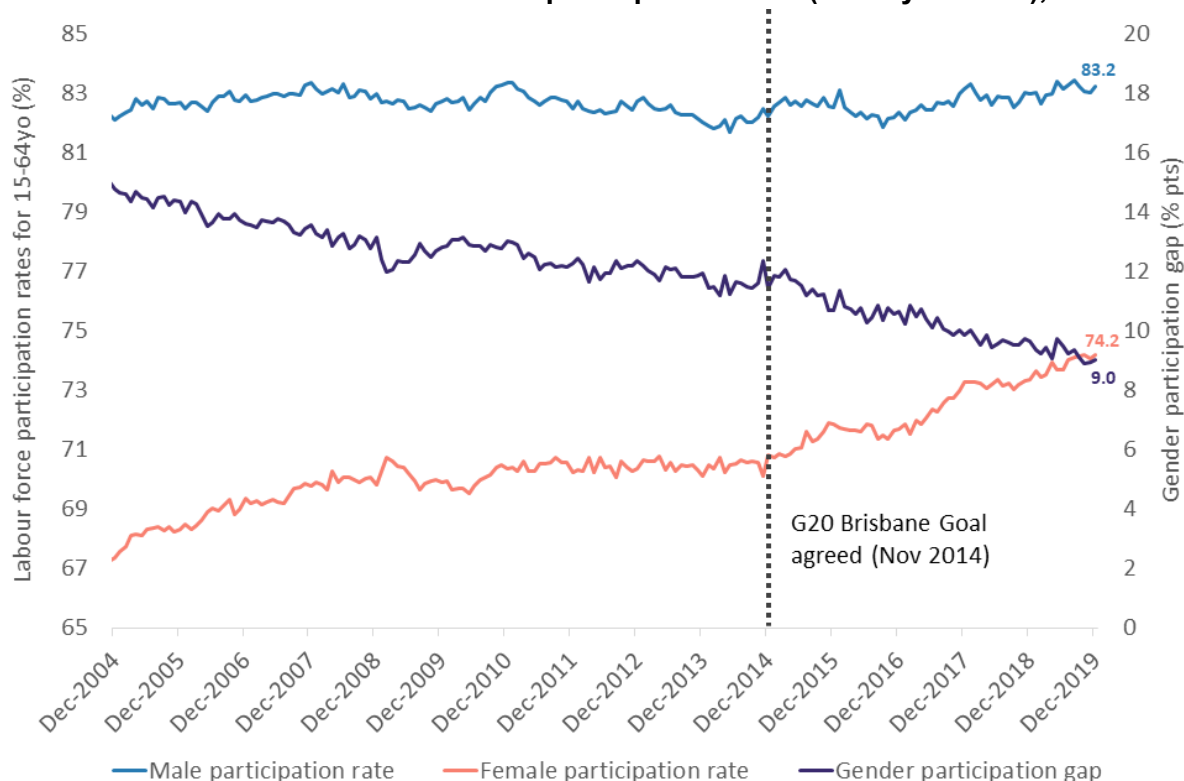
Source: : ILOSTAT and OECD.Stat. Note: Data in Tables 4 and 4 have been sourced from the OECD/ILO to aid international comparability.

Collective commitment to increase female labour force participation

The Australian Government is committed to increasing women’s labour force participation, understanding that it will enable Australia to realise its economic potential and help to achieve gender equality. Importantly, the economic security that comes with paid work can increase family wellbeing and reduce women’s vulnerability to poverty, homelessness and family violence. The Australian Government’s approach to increasing female labour force participation includes a flexible, affordable and accessible child care system; improving workplace diversity and flexibility; workplace support; and protection through labour laws.

Australia is well on track to meet the G20 goal to reduce the gender gap in labour force participation rates between working aged men and women by 25 per cent by 2025. For Australia this means decreasing the gap by three percentage points to 9.1 percentage points. As of December 2019, the gender gap in labour force participation between working aged men and women was 9.0 percentage points. The twelve month average of the gender gap (the indicator used by all G20 countries to measure progress against the G20 goal) was 9.2 percentage points as of December 2019.

Chart 3: Male and female labour force participation rates (15-64 year olds), 2004-2019



Source: ABS, Labour Force, Australia, December 2019 (Cat. No. 6202.0), people 15-64 years, seasonally adjusted data

Flexible working arrangements enable labour force participation by diverse cohorts of people, allowing them to work while managing their individual circumstances, such as caring responsibilities. Under the *Fair Work Act 2009*, employees may request flexible working arrangements in a range of

circumstances, including among other things if the employee has responsibility for the care of a child who is of school age or younger.

To build upon the existing framework, the Australian Government has introduced a range of initiatives to provide targeted support for women to enter and stay attached to the labour force across key policy areas. Some of the most relevant measures are outlined below.

- A Women’s Economic Security Statement was delivered on 20 November 2018 totalling \$151.4 million over five years.⁴ The Statement is built around three pillars: increasing women’s labour force participation; supporting women’s economic independence; and improving women’s earning potential. Together these measures announced in the Statement will assist women in a range of ways, including: boosting entrepreneurship amongst girls and young women; working with business to progress flexibility; expanding access to and improving flexibility of parental leave payments; and supporting women’s economic recovery after events such as domestic violence and separation.
- A new child care package was successfully implemented on 2 July 2018, representing the most significant reforms to Australia’s early education and care system in forty years. The package encourages workforce participation for parents and places downward pressure on child care fees. The centrepiece of the Package, the Child Care Subsidy, is designed to encourage families to participate in the workforce, especially those on low to middle incomes. The Australian Government is investing record funding of \$8.6 billion in 2019-20 into child care to provide more support for families. This investment will increase over the next few years to around \$10 billion a year.
- The Government is investing \$18 million over three years to provide access to capital for women engaging in innovative entrepreneurship under the Boosting Female Founders Initiative. From July 2020, grants will be available on a competitive basis to startups founded by women with the potential to scale and expand into domestic and global markets.
- The Government has committed \$3.25 million annually to 2022 for the Launch into Work program. This program trials pre-employment projects that are co-designed with employers to prepare job seekers for identified entry-level roles in the business. The program proactively responds to labour market demands and supports women into career pathways.
- The Australian Government is investing \$356 million into the national ParentsNext pre-employment service (excluding remote areas) over the next four years (from 2019-20). Between 1 July 2018 – 30 June 2019, ParentsNext helped more than 93,000 parents to plan and prepare for employment by the time their children reach six years of age. ParentsNext providers work with parents to help them identify their education and employment goals, develop a pathway and link them to activities and services in the local community to achieve these goals. Over 25,000 parents have commenced education and 15,200 parents gained employment. At 30 June 2019, 95 per cent of the participants were women, 20 per cent were Indigenous Australians and 19 per cent were under the age of 25 years.
- *Inspiring all Australians in Digital Literacy and STEM*, a NISA measure, allocated \$64 million for initiatives to improve the teaching and learning of STEM in early learning and schools, including by girls. A Supporting More Women into STEM Careers National Research Internships Program has been introduced to provide additional support for industry-based internships over four years from 2016-2017, with a particular focus on women researchers.

⁴ Available at <https://www.pmc.gov.au/office-women/economic-security/wess>

- In the 2019-20 Budget the Government committed \$3.4 million to improve STEM equity in Australia and boost the participation of girls and women in STEM education and careers. This builds on the Government's \$4.5 million investment in the 2018–19 Budget and more than \$13 million invested under the NISA. Initiatives include appointing Australia's inaugural Women in STEM Ambassador, a Women in STEM Strategy and a Decadal Plan for Women in STEM, a Girls in STEM Toolkit and the Women in STEM and Entrepreneurship grants program.
- The Government is providing increased support for female entrepreneurship, assisting some women to re-enter the workforce by starting their own business. Over 50 per cent of businesses started under the New Business Assistance with NEIS program contract have been started by women. This assistance helps individuals by providing accredited training and business mentoring and support for the first year of their business.
- Indigenous Business Australia is an Australian Government authority set up to assist and enhance Aboriginal and Torres Strait Islander self-management and economic self-sufficiency. They also focus on increasing Indigenous women's participation in business.
- In June 2018, the Sex Discrimination Commissioner announced a National Inquiry into Sexual Harassment in Australian Workplaces. The Inquiry will consider the drivers of behaviours that lead to sexual harassment and assault, the adequacy of the existing legal framework and the economic impact of sexual harassment in the workplace.

Collective commitment to achieve better employment outcomes among youth

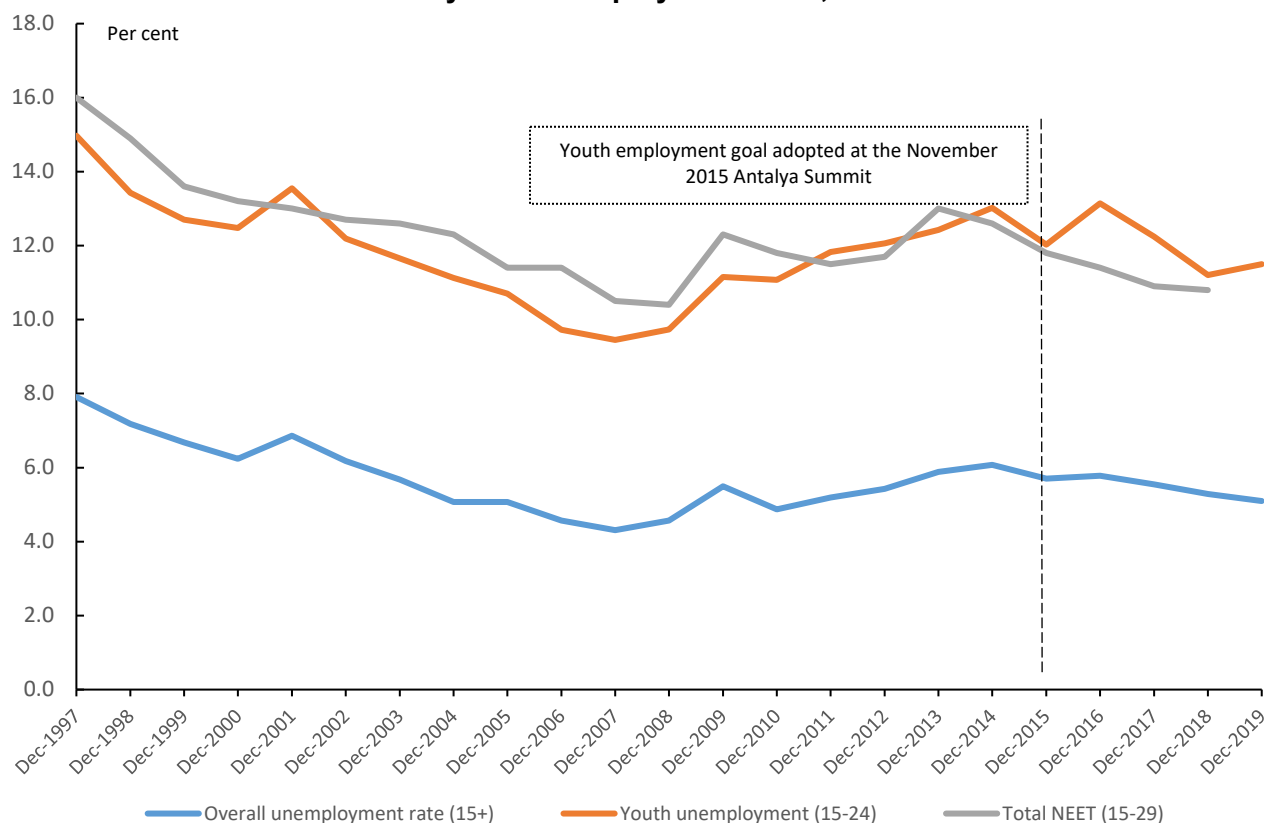
Young people are the most vulnerable to changes in labour market conditions. A key strategy in addressing youth unemployment is to promote a strong economy. Australia makes a large investment in education, training and employment programs which, when added to those investments made by families and individuals, provides a strong foundation for good transitions into employment by youth.

Australian Bureau of Statistics data show that 10.5 per cent of Australian youth aged 15 to 24 were not in work and not attending full-time education as of December 2019, compared with 9.9 per cent at the onset of the Global Financial Crisis in September 2008.

The G20 youth goal adopted by Leaders in 2015 was to reduce the share of young people who are most at risk of being permanently left behind in the labour market by 15 per cent by 2025.

Chart 4 shows the trend in the proportion of youth who are not in education, employment or training (NEET), using internationally standardised data published by the OECD. After peaking in 2013, the proportion of youth NEET has been declining but is yet to return to pre-GFC lows (Chart 4).

Chart 4: Proportion of Australian youth not in education, employment or training and the overall and youth unemployment rates, 1997-2019



Sources: OECD Education at Glance 2019, OECD *Education at a Glance 2014* (1997-2012), OECD *Education at a Glance 2015 Interim Report* (2013), OECD Data “Youth not in employment, education or training” (2015-2016), ABS, *Labour Force, Australia*, December 2019 (Cat. No. 6202.0), seasonally adjusted data.

Australia has a wide range of measures in place to help young people to prepare for employment and support their transition into the workplace. The Transition to Work service provides intensive pre-employment assistance to young people who have disengaged from work and study and are at risk of long-term welfare dependence. The service is designed to improve the work readiness of young people aged 15 to 21 and will help them get into work (including apprenticeships and traineeships) or education. The Government has made additional investments in the Transition to Work service in consecutive annual budgets, responding to both higher than expected demand as well as aligning eligibility for the service with the government's broader suite of youth specific services and programs. From 1 January 2020 eligibility for the service will be expanding to include all eligible young people aged 15–24.

To leverage recent investments in youth employment initiatives, the Government funded the Brotherhood of Saint Laurence, a non-government organisation to establish a Youth Employment Body. The Body is acting as a forum to develop best practice youth employment service models, undertaking research to inform future programs, and mobilising employer effort and experience, which can be scaled up nationally. These investments build on other recent initiatives, including the Youth Employment Package announced in the 2016-17 Budget. The Youth Employment Package included:

- Youth Jobs PaTH (Prepare, Trial, Hire) responds to employer feedback that young people can increase their job prospects by improving their employability skills and gaining relevant work experience. Youth Jobs PaTH includes Employability Skills Training (Prepare), Internships (Trial) and a Youth Bonus wage subsidy (Hire) to support the employment of young people 15-24 years of age.
- The Government is encouraging entrepreneurship and self-employment with \$89 million to support individuals, including young people, who wish to start their own business. The measure includes four key elements that were rolled out in December 2016, including:
 - Two-week, face-to-face 'Exploring Being My Own Boss' workshops.
 - SelfStart online hub, a new website bringing together information about existing services and programs in a way that engages young people.
 - Entrepreneurship Facilitators to promote entrepreneurship and join up available services and programs, operating in selected labour market regions with high youth unemployment.
 - Expansion of New Business Assistance with NEIS, which helps people to start and run their own small business.

Other significant measures include:

- Empowering YOUTH Initiatives – \$50 million in grant funding was provided over four years to eligible not-for-profit, non-government organisations to trial innovative approaches to help unemployed young people improve their skills and move toward sustainable employment. Thirty-nine initiatives were funded for up to two years to help vulnerable young people, aged 15–24 years of age and at high risk of welfare dependency, to find jobs.
- ParentsNext – a national program assisting parents, including young parents, to plan and prepare for employment by the time their children start school. ParentsNext was expanded nationally from July 2018 and in its first year has helped more than 93,000 parents (almost 20,000 of whom were young parents).
- As part of the Government's suite of wage subsidies, a Youth Wage subsidy is available for employers through jobactive and the Intensive stream of ParentsNext to assist eligible job seekers, 25-29 years of age, into ongoing employment.

CONCLUSION

The Australian economy is forecast to continue to grow and generate job opportunities. The forecast growth of 2¼ per cent in 2019-20 will build on 28 years of economic expansion, and support further progress towards meeting our G20 commitments.

Australia's economy continues to show resilience in the face of weak momentum in the global economy as well as domestic challenges such as the devastating effects of drought and bushfires. Employment increased by 2.1 per cent through the year to December 2019 and the economy has had an above average annual growth rate of 1.8 per cent over the last decade. However, employment challenges still remain and the Australian Government is taking steps to improve opportunities for all Australians.

Increasing women's labour force participation is a key priority for the Australian Government. Addressing this issue will contribute to enabling Australia to realise its economic potential and achieve gender equality. Measures being enacted include improving workplace diversity and flexibility; strengthening workplace support and protection through labour laws as well as ensuring the availability of a flexible, affordable and accessible child care system. Addressing this challenge will help to ensure that Australia meets the G20 Brisbane goal.

In 2015 the Australian Government committed to reducing the share of young people who are most at risk of being left permanently behind in the labour market by 15 per cent by 2025 (G20 Antalya goal). Using internationally standardised data published by the OECD, from 2015 to 2018 the share of young Australians aged 15-29 who were not in employment, education or training decreased from 11.8 per cent to 10.8 per cent. The Australian Government has also committed to creating an additional 1.25 million jobs over five years from 2019 to 2024, including 250,000 new jobs for young Australians (aged 15-24).

The Government is investing in programs that give young Australians the right assistance and encouragement to learn new skills, become job ready, get a job and stay in a job. Initiatives include the Transition to Work service, that is providing intensive, pre-employment support to improve the work-readiness of young people and help them into work (including apprenticeships and traineeships) or education, as well as Youth Jobs PaTH (Prepare-Trial-Hire), that is providing young people with the opportunities they need to improve their job readiness, gain work experience and move into employment.

Employment services are also set to be reformed with the new employment services model which will deliver better outcomes for job seekers and employers. The new model will transform the way employment services are delivered. Key elements of the new model include new online tools to help better connect employers and job seekers, digital servicing for job-ready job seekers and a more intensive, targeted and tailored service for those job seekers who need more help. Technological change is altering how most employers advertise jobs and how job seekers find them, and this new model will ensure that employment services adapt to these changes and provide a user-centred service that better targets support to job seekers and employers based on their needs. The new model is being trailed in two regions within Australia (one metropolitan and one regional area) before it is rolled out nationally in 2022.

The Australian Government has also developed a suite of measures to strengthen the vocational education and training system to ensure Australians have the skills to succeed in a changing labour market. The Delivering Skills for Today and Tomorrow package is designed to strengthen Australia's VET system so that it delivers a more productive and highly skilled workforce, and enables working age Australians to participate effectively in the labour market, now and in the future. It promotes a national approach to skills development, enhances the role of industry, and aims to improve the status and appeal of VET so it is seen as a valuable choice for Australians at all ages and stages of their careers.

The Australian Government will report on its progress in further improving employment opportunities and achieving G20 goals in future G20 employment plans.