

# Jobs Australia Commentary

## Prime Minister Announcement Job Maker Plan

26 May 2020



Jobs Australia



On Tuesday 26 May 2020, Australians were delivered a speech by the Prime Minister Scott Morrison. With a tone which was confident, pragmatic and with clear partisan rhetoric the Prime Minister delivered the Governments “Job Maker” plan.

The PM described the next stage of the COVID-19 response – to bring Australia’s economy out of “intensive care” and “get it off the medication before it becomes too accustomed to it.”

Gone were the references to an economic “snap-back” and gone too, were promises that everything was to be OK in the future.

The PM began by reflecting on “how good is Australia” in terms of the way Australians accepted the issues and got on with them in a new employment paradigm.

He also advised that temporary supports will end, and that there are to be 3 steps taken in July to fully open the nation. He anticipates 850,000 jobs will be restored – BUT, unemployment and under-employment will increase, because “opening up is a lot harder than closing down”

## **So, what are the main points identified by Jobs Australia?**

1. With international borders closed, skilled migrant intake will be reduced from around 120,000 to less than 30,000 creating skills shortages and substantially dampening the co-incident economic growth.
2. To feed the post COVID-19 jobs market, vast improvements are needed to fix the remarkably clunky training sector
3. To reduce the frequently hotbed of industrial issues between unions, employers and government and to enable a more flowing labour market there must be reform in these relationships to create a “new sense of common purpose”.

## **What the PM said about Training Reform**

*“ I want those Trade and Skilled Jobs aspired to...”*

“Changing Australia’s skills and training system will be a Job Maker priority for national recovery, as we look to create jobs in a labour market undergoing major change.”

“We need Australians better trained for the jobs businesses are looking to create.”

The Job Maker plan will see the government reform the vocational education training sector by carrying out Skills Organisation Pilots designed to help the industry have a greater say in the training system.

The PM said three pilots have already been established in:

- Human services,



- Digital technology and
- Mining sectors, with more to come.

A National Skills Commission has been established to provide detailed labour market analysis, including an annual report each year setting out the skill needs of Australia, replacing the existing lists for apprenticeships and skills migration, and using input data from a variety of sources including the one-touch pay system.

On top of that, the PM said the National Agreement for Skills and Workforce Development was “fundamentally flawed” and needed to be changed.

“By law, the Commonwealth must hand over to the states and territories \$1.5 billion in untied funding every year – with no end date and no questions asked,” Morrison said.

“The Commonwealth has no line of sight on how states use this funding. Where targets do exist, they are aspirational. If not met, there are no consequences.” Mr Morrison explained how training course subsidies and quality differed across the states, with an example given about a nursing rebate in Queensland returning \$8k and in Western Australia \$17k for the same course. “Consequently, many people who should be trained in the VET system end up in universities – when in fact they do not need to be there”

As a result, Mr Morrison stated the government would look to increase funding transparency and performance monitoring, and better coordinate the subsidies, loans and other sources of funding, based on principles of return on investment, to make the most of the support that is being provided.

The PM did not keep his criticism of the training sector only to transparency and funding, by referencing:

- poor quality management of training providers
- up to 2 years to get courses into the education market and
- over 17,000 units of competencies

During his speech Mr Morrison also referenced **Care for Country**. “We are to be outward looking, open for trading in the Global Supply Chains without losing our economic sovereignty” .... “But we will never trade away our values.” ...” This means responsible management and we must not borrow from our future in a way that we cannot return in our lifetime. We will not leave the next generation with debt burden.”

## **He then directed discussion to Workplace Relations:**

Restoring a common sense of purpose between employers and the union movement which he described as frequently “tribal”.



“No one side has the answers”, he continued. But unless the conflict ends “More will lose jobs and more won’t get jobs”

Mr Morrison also announced the government has abandoned controversial laws making it easier to deregister unions and ban officials.

The "Ensuring Integrity" bill was defeated in the Senate late last year.

But the draft laws were reintroduced, with the government insisting the harsh measures were needed to deal with misconduct in the construction industry in particular from the CFMEU.

He said the government had decided not to seek a further vote in the Senate in a show of good faith to unions.

"The government maintains its complete lack of tolerance for the kinds of behaviour we have particularly seen on Australian construction sites in recent years,"

"It's not only illegal, it's costing jobs."

Mr Morrison wants to foster greater cooperation with unions as he seeks to reform workplace laws after the coronavirus pandemic.

But the government will still pursue measures to stop unions breaking the law.

"We are committed to ensuring that this happens in the simplest, fairest and most effective statutory form possible, which we will consider going forward," the PM said.

Attorney General and Minister for Industrial Relations Christian Porter has been given 4 months to address and resolve issues created by:

- Complex awards
- Enterprise agreements
- Casual and fixed term employees
- Compliance and enforcement

Mr Porter is to convene a number of working groups comprising union representatives, employer groups, small to medium enterprises, rural businesses multi-cultural employers and women and to have recommendations by September 2020.

## **What does this mean for Jobs Australia Members?**

In the immediate short term – the current situation prevails. Mutual Obligations (MO) remain suspended and there is to be a 3-stage re-introduction of MO. However, the reformation of the training sector will have impacts on the way in which training is prescribed managed and delivered. As to the take up of job seekers once the economy starts to rebound, it is too early to provide advice or commentary.



Commentary prepared as an overview for Jobs Australia Members.

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