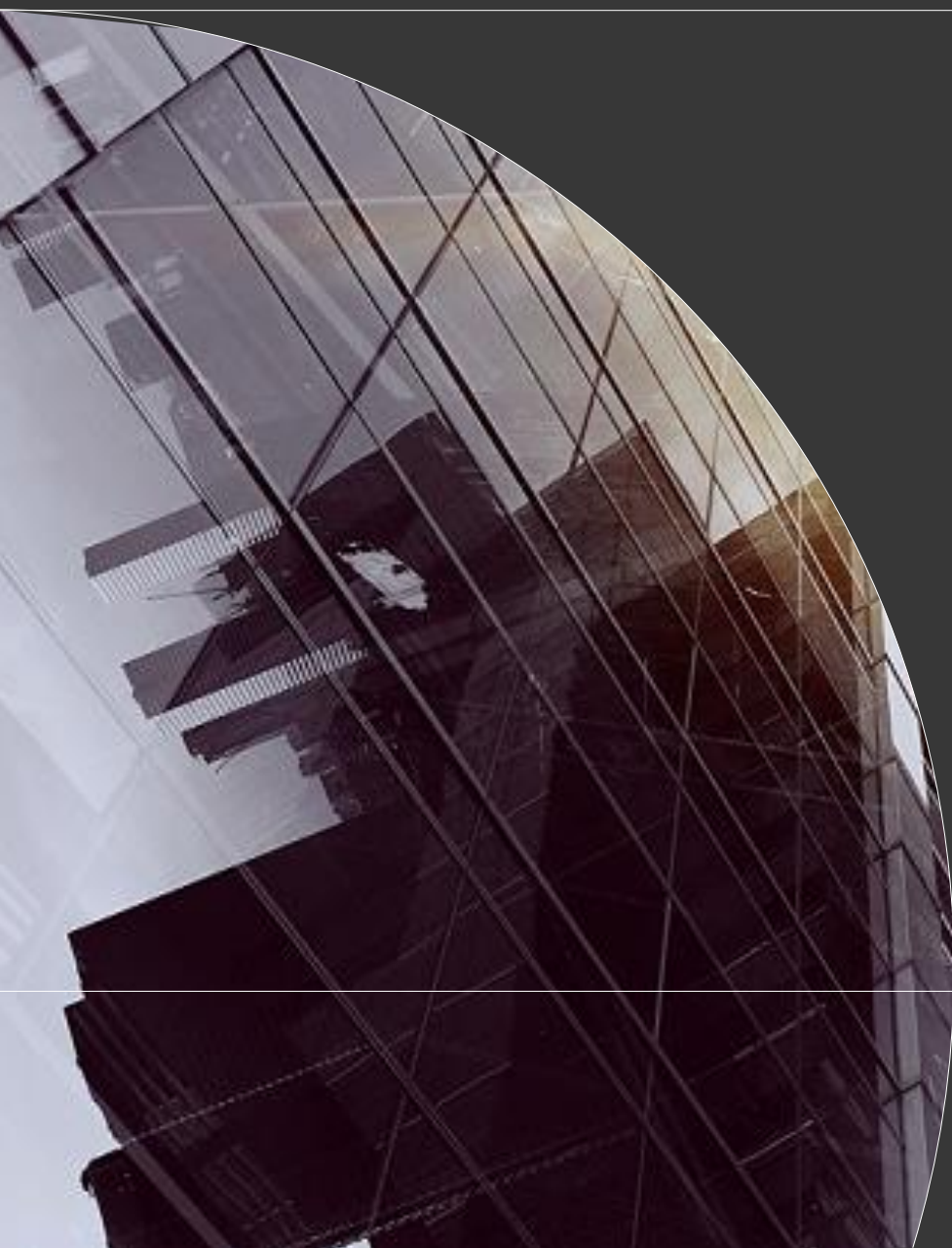


# Jobs and Skills Summit – policy paper

Expanding job opportunities for all  
Australians including the most  
disadvantaged

August 2022



BCA

Business Council of Australia

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# 1. Overview – disrupting disadvantage

## The problem

- Currently, 1.2 million Australians experience deep social exclusions from economic and social opportunities due to multiple challenges such as poor health, unemployment, and inadequate education.
- We continue to see inequality of opportunity based on gender, race, geography and social background.
- Job vacancies are at record highs, while people are seeking employment but have barriers to entry.
- As our nation continues to chart the path out of COVID-19 and lay the foundations for a more modern and dynamic economy, we must also think about the kind of society we want to be, how we ensure that all Australians are reaching their full potential and sharing in the opportunities and prosperity of our nation.

## The reset we need

### Disrupting disadvantage

- Ensuring all Australians have the same opportunities to engage in education, skills training and participate in employment.
- Focusing on economic advancement at an individual and community level, for all Australians, particularly those who are disadvantaged.
- Turning the language of intent into real actions to enable a person's full economic and personal potential.

### Empowering Indigenous Australians

- Moving to the language of aspiration, ambition and wealth creation and prosperity in all elements of Indigenous Affairs, and moving beyond simply 'closing the gap'.
- Ensuring Indigenous Australians are a part of the new economy.

### Removing barriers for people with disabilities

- Removing the structural barriers that inhibit people with an illness or disability, such as job design and recruitment practices.
- Re-thinking the design of employment service providers and programs which are not working and do not provide the long term support and continuity that is required to drive sustained change.

### Bridging the regional divide

- Unlocking the potential of high value regions with a nationally consistent plan and a concerted effort in areas of entrenched disadvantage or areas likely to be impacted by the changes in the economy.

## The guiding principles

### Disrupting disadvantage

- Barriers that prevent all Australians from reaching their potential in education, skills, training and employment should be removed.
- Foundational skills are essential to enabling this equal participation.
- The current systems need reform as they are not delivering for those who are at a disadvantage and remain out of the workforce at a time when unemployment is at its lowest for almost 50 years.
- Innovation, transparency, long term, sustainable planning is essential to enable business to embed workforce programs to get sustained outcomes.

## Empowering Indigenous Australians

- Indigenous involvement must be part of the decision making in the future Australian economy, which creates a lasting pathway for Indigenous wealth.

## Removing barriers for people with disabilities

- People with disabilities must be able to lead their lives, both at work and in society, with dignity and purpose.

## Bridging the regional divide

- Regional plans must take place-based approaches which foster collaboration between, industry, university and TAFE partnerships and maximises corporate investment.

# The actions

## Disrupting disadvantage

- Provide a Foundational Skills Guarantee including digital literacy to support people to have the basic skills that otherwise put them at a disadvantage in seeking to participate in the workforce.
- The Productivity Commission to undertake a review into places of entrenched disadvantage.

## Empowering Indigenous Australians

- Ensure Indigenous communities are part of the development plans for new industries
- The Commonwealth Government should expand eligibility for demand-driven university funding to all Indigenous Australians
- Revive the National Roadmap for Indigenous Skills, Jobs and Wealth Creation.
- Further expand the Raising the Bar initiative which supports Indigenous procurement and business development.

## Removing barriers for people with disability

- Reinvigorate the system between employees and employers for disability employment to a demand-led employment model, increased transparency, wage stability, and builds capacity in their own organisations.
- Develop best practice guides for disability employment.
- Trial new programs that have worked in other areas, such as the Raising the Bar Indigenous business procurement program for disability.

## Bridging the regional divide

- Put in place regional skills packages in areas of high economic potential.
- Support the development of Australia's nationally significant innovation precincts in key regions and consider the use of targeted measures to facilitate access to global talent to attract investment and a skills transfer to the local community, such as more Designated Area Migration Agreements.
- Establish a National Energy Transition Authority to facilitate the transition of regional communities, which may face disruption and opportunities in the shift to a net zero emissions economy.
- National Cabinet to engage on regional development and disrupting areas of disadvantage.

## 2. Key Facts

### Disrupting disadvantage

- One in 20 Australians will grow up in poverty.
- Australians experience economic disadvantage at some stage in their lives, but for most this is temporary.<sup>1</sup>
- About three per cent of Australians, roughly 700,000 people, have been in income poverty continuously for at least the last four years.
- People living in single-parent families, unemployed people, people with disabilities and Indigenous Australians are particularly likely to experience income poverty, deprivation and social exclusion. They have an elevated risk of their economic disadvantage becoming entrenched.
- About half of Australians spent at least one year in income poverty between 2001 and 2016. About 61 per cent of people overcame income poverty after one year, and another 18 per cent after two years.
- Overcoming income poverty comes with a substantial risk of re-entry – of those who moved out of it, 56 per cent later fell back into it.

### Empowering Indigenous Australians

- Improving Indigenous employment outcomes could grow the Australian economy by more than 1.15 per cent in real terms or \$24 billion in 2012/13 dollars.<sup>2</sup>
- Closer relationships with industry have positive results. In a 2021 survey of Business Council members, members reported investing around \$25 million in education partnerships to support Indigenous education activities. In addition, members in mining and technology industries are investing significant amounts on demand-led training opportunities focussed on supporting the education and training needs of remote and very remote Indigenous communities.
- The Commonwealth Indigenous Procurement Policy and the Business Council's Raising the Bar initiative have contributed to a significant increase in Indigenous businesses. While estimates of the number of Indigenous businesses vary, a report by Minderoo Foundation and PwC estimated that Indigenous businesses contributed about \$8.8 billion to the Australian economy in the 2020 financial year.
- Business Council member companies involved in the Raising the Bar initiative have invested over \$1 billion dollars procuring from Indigenous businesses since the start of the program.
- Indigenous Australians are around 3 per cent of the population but represent around 30 per cent of the prison population.

### Removing barriers for people with disability

- People with disability have far lower education and employment outcomes.
- Twenty one per cent of people aged 15–64 who acquired disability before age 15 left school a year later (8.9 per cent without disability).
- The labour force participation rate for people with disabilities is around 53 per cent versus 84 per cent for general population of working age.<sup>3</sup>
- Deloitte Access Economics modelling showed if the gap between participation and unemployment rates for people with disabilities could be reduced by one third, the cumulative impact on GDP would be \$43 billion.

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<sup>1</sup> Productivity Commission 2018, Rising inequality? A stocktake of the evidence, Commission Research Paper, Canberra.

<sup>2</sup> Deloitte Access Economics Economic benefits of closing the gap on Indigenous employment outcomes.

<sup>3</sup> AIHA 2018 data contained in 2020 report

## Bridging the regional divide

- Our regions, which are home to around one third of Australia's population, 40 per cent of national output and two-thirds of the country's export earnings, are particularly vulnerable to changing global economic trends and geostrategic uncertainties.
- Regional Australia contributes 40 per cent to Australia's GDP, according to the Regional Australia Institute. If it were a separate country, regional Australia would sit 22nd in the top 30 global economies, just behind Taiwan.<sup>4</sup>
- About 67 per cent of the value of Australia's exports comes from regional, rural and remote areas.<sup>5</sup>
- People living in a major city are twice as likely to have a bachelor degree than people in regional areas.

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<sup>4</sup> <https://www.domain.com.au/news/regional-australia-economy-worth-almost-600b-but-has-slowed-markedly-compared-to-capital-cities-835334/> (needs to be cited properly -check date of report)

<sup>5</sup> <https://www.ruralhealth.org.au/book/economic-contribution-regional-rural-and-remote-australia>

## 3. Key Issues

### 3.1 Disrupting disadvantage

It is critical that we support participation in the economy by all Australians in a way that enables everyone to achieve their full potential.

This includes support for the more than 5 per cent – or over 1.2 million Australians – who experience deep social exclusion through multiple challenges such as poor health, unemployment, and inadequate education.

Australians who are more likely to experience deep exclusion are those with long-term health issues/disability, Aboriginal and Torres Strait Islanders and people with lower levels of educational attainment.

With at least 2-3 million adult Australians lacking the basic skills for modern life, we need to ensure that we maintain a focus on foundational skills in reading, writing, maths, English and digital literacy.

As governments conclude negotiations on the new National Skills Agreement, it is critical that this includes free foundation-level training for all Australians, supporting those out of a job to enter or re-enter the workforce and those in work to update their skills.

A Foundational Skills Guarantee should expand on existing programs to create a more demand-driven system, increasing the number of people who can engage with targeted, modular training when they need it.

This could include fully subsidised provision of approved courses up to Certificate II level, but also support a micro-credentialling approach by funding individual units within approved qualifications.

The Business Council believes that foundation skills should involve a partnership with industry and will be successful if government works with employers to deliver bespoke training.

Across Australia there are some communities, which have longer term and entrenched pockets of disadvantage. The Productivity Commission should undertake work to understand and identify these areas, the contributors to places of disadvantage, how to break that cycle and to prevent other areas from moving into a similar pattern.

### 3.2 Empowering Indigenous Australians

Meaningful consultation and genuine engagement aimed at building trust, leading to the exchange of ideas and embedding Indigenous voices will create the long lasting partnerships and national prosperity we all seek.

Equally it is important to move to the language of aspiration, ambition and wealth creation and prosperity in all elements of Indigenous Affairs. This goes beyond simply ‘closing the gap’ and extends the goal to enable all Indigenous Australians to achieve their full potential.

Improving educational attainment for Indigenous Australians is critical. Through the National Plan on Closing the Gap, the nation has set a target of increasing the share of young Aboriginal and Torres Strait Islander people with a tertiary qualification to 70 per cent by 2031. This is an ambitious objective, requiring a 30-percentage point increase compared to 2016. This requires a concerted effort at every learning stage – from early childhood, through to school and tertiary education – and at skill levels ranging from foundational skills to the advanced skills required in professional, technical and digital roles.

Governments should consider opportunities to extend existing VET and higher education programs and expand eligibility to support indigenous participation.

As an immediate step, the Commonwealth Government should expand eligibility for demand-driven university funding to all Indigenous Australians. This would mean all Indigenous Australians are guaranteed a Commonwealth-supported place at university with access to a HELP loan. This measure is likely to appeal to Aboriginal and Torres Strait Islander women in particular, who are already twice as likely to be enrolled in higher



education compared to Indigenous male students, who engage more in the VET system.<sup>6</sup> Universities and businesses should respond by providing outreach, mentoring and educational support programs to ensure that Indigenous students are set-up to succeed in tertiary study and future employment.

Business Council members have been ramping up their efforts through partnerships with Indigenous communities resulting in:

- strategic investments in education, training and employment
- creating pathways for Indigenous businesses to flourish, and
- preparing for the future Indigenous workforce and future economy that maximises Indigenous participation and wealth.

The exponential growth of Indigenous businesses is a tremendous success story that underscores what can be achieved when Government and industry work together to match and reinforce Indigenous priorities and solutions.

The Business Council's Raising the Bar initiative will be extended further with additional companies committed to joining.

### **3.3 Removing barriers for people with disability**

A new approach is needed to break the barriers to people with disability to increase their role and advancement in the workplace.

The Business Council will work with government and organisations such as Australian Network for Disability (AND) and Get Skilled Access (GSA) to significantly increase employment opportunities for people with disabilities. In June 2022, the Business Council together with the Commonwealth, AND and GSA held an employer roundtable with 75 members to galvanise activity in this area.

A joint survey is currently being conducted by the BCA and AND aimed at gaining baseline data on employment numbers and existing strategies and activities by members covering recruitment, retention, advancement of people with disability in employment and procurement practices. A report covering the findings of the survey will be released in due course together with best practice case studies and a guide for employers.

This will assist in a re-think on job recruitment and design, to remove barriers that prevent people from taking on positions. As an example, job descriptions that require a driver's licence for an administrative role where driving is not a required task.

This will feed into a series of boardroom sessions which will be conducted with GSA and work will continue with other interested parties to co-design relevant programs and initiatives in direct response to the survey outcomes.

The BCA supports the development of a Raising the Bar style program for and designed by people with disability which includes three key elements:

- accessible procurement
- targeted recruitment using specialist services such as disability employment services (DES) and The Field and other parties, and
- a supply chain of businesses owned and operated largely by people with disability.

This will require the creation of a certifying body predominantly made up of people with disability.

Consideration should also be given to other programs which have been successful in lifting workforce participation for disadvantaged groups which could be adapted to the disability sector.

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<sup>6</sup> AIHW & National Indigenous Australians Agency. 2020. Aboriginal and Torres Strait Islander Health Performance Framework. Canberra.



### 3.4 Bridging the regional divide

Our regions are front and centre of the nation's future. They are home to many of Australia's most successful industries in mining, resources and agriculture. As global demand evolves, regional Australia is ideally placed to capitalise on its advantages to be at the forefront of advanced manufacturing and value-added food production.

Regions are in the box seat to lead the development of new industries and technology as the world decarbonises. Major regional centres can use existing networks to be at the epicentre of growing the new industries of the future in renewable energy and critical minerals.

However not every region, has what it takes to be a major economic hub.

National Cabinet should be engaged in developing a regional policy that identifies regional locations with the greatest potential to contribute to the nation's economy and allows for targeted for investment, coordination and concentrated effort in those locations.

To support this more targeted approach to regional policy, the Business Council commissioned Urbis to assess the relative vulnerability of 22 regions against the structural forces of demographic change, technology, climate and changing patterns of trade and investment. More than half the regions were assessed as being highly vulnerable to two or more of these forces. These vulnerable regions are home to approximately one million Australians, are located across multiple states, reflect different economic and geographical contexts and are responsible for more than 5 per cent (\$100 billion) of gross regional product annually.

Together with key stakeholders such as National Farmers Federation and the Regional Australia Institute, the Business Council argues the following principles should guide the selection of regional areas primed for growth:

- proximity to nearby gateway infrastructure and major power grids
- home to one or two successful industries or the capacity to attract more investment strategically important locations
- home to a university and TAFE that can work together
- access to quality health services
- capacity to increase the supply of housing and industrial land, and
- an appetite and capacity for more people.

As part of the planning to a net zero emissions economy, the regional development should be co-ordinated. We have previously recommended the creation of a National Regional Transition Taskforce, under the purview of the Climate Change Authority, to develop a low-carbon regional roadmap for the most affected regions — for example the Hunter Valley and the Latrobe Valley. This could also take the form of a standalone authority Energy Transition Authority.

## 4. Priorities

### Disrupting disadvantage

#### Short term

- Agree to include a Foundational Skills Guarantee in the National Skills Agreement.
- Address the interface between education and skills by focussing on middle years and end years of schooling.
- Expand successful initiatives and programs in employment such as recruitment, retention and advancement.

#### Medium Term

- Undertake a Productivity Commission review of places of disadvantage to shape future policy.
- Create a new class of cadetships and internships in the business community which allows people to access micro credentials ranging from foundation skills to advanced credentials.
- A Lifetime Skills Account, which will assist people to undertake further training who otherwise would not participate.
- Create a skills system that is more flexible and recognises prior learning, competency and can collate a person's learning and training across work and education systems to provide a more detailed record of their capabilities.
- Reform employment services so they can provide more targeted and longer-term support services for those who are most disadvantaged in entering the workforce.

### Empowering Indigenous Australians

#### Short term

- Expand the Raising the Bar initiative and Commonwealth Procurement Policies to focus on mentoring and business support, joint venture partnerships with clear skills transfer requirements, access to capital and developing Indigenous businesses in the industries of the future such as carbon offsets, biodiversity and advanced manufacturing.

#### Medium term

- Commence a review with industry on the interface between education and skills for Indigenous young people focusing on the middle and end years of schooling.
- Create industry partnerships to deliver bespoke training through a Foundational Skills Guarantee for the Indigenous community.
- Extend Commonwealth-supported university places for all Indigenous Australians on a demand-driven basis and fee-free TAFE.

### Removing barriers for people with disability

#### Short term

- Increased education and awareness of the job design and recruitment barriers, which prevent people from disability applying for positions or advancing within their careers.
- The Business Council will work with government and organisations such as Australian Network for Disability and Get Skilled Access to significantly increase employment opportunities for people with disabilities. We are obtaining the requisite baseline data and co-designing with the sector tailored programs to promote

retention, progression and advancement that reflect inclusive organisational culture and accessible and inclusive best practice for people with disability.

- Increased transparency on disability engagement in the workforce, which could be aligned and streamlined with reporting on women's participation.

#### *Medium Term*

- Reform the employment services and programs to better align with the needs of people with disability and employers, particularly providing greater certainty and continuity of funding to enable work placements to be sustainable and enduring.
- The Business Council supports the development of a procurement program along the lines of Raising the Bar for people with disabilities, women owned businesses and businesses in remote or very remote settings.
- A design standard for accessible procurement be developed in collaboration with specialist services for recruitment of people with disability such as disability employment services and GSA among others and the development of businesses by people with disability thereby creating a supply chain mirroring the Raising the Bar initiative.

### **Bridging the regional divide**

#### *Short term*

- A National coordination mechanism through National Cabinet or such as regional deals to turbocharge regions primed for growth or facing economic transition.
- Establish a National Energy Transition Authority to support regions impacted by the move to a net zero emissions economy.

#### *Medium term*

- Create skills hubs in growth regions to provide innovative reskilling and training tailored to the needs of locals and their employers.
- Establish a regional university precincts infrastructure fund that embeds partnerships with large and small businesses to deliver demand led training and employment, scale up businesses, adoption of new technologies and commercialisation of research.
- Work with industry to introduce incentives on a case-by-case basis that attracts companies to locate or expand their operations in regions in line with the future industries.



# BCA

Business Council of Australia

