

**AUSTRALIA'S FIFTH REPORT UNDER
THE INTERNATIONAL COVENANT ON ECONOMIC,
SOCIAL AND CULTURAL RIGHTS (ICESCR)
2010-2014**

**Appendix 4
Employment - Additional Information**

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I. INTRODUCTION

Purpose of this Appendix

1. The Australian Government is pleased to present this Appendix to Australia's fifth report under articles 16 and 17 of the International Covenant on Economic, Social and Cultural Rights (ICESCR).
2. The Australian Government is committed to full engagement with the treaty reporting process under ICESCR.
3. To this end, the Australian Government wishes to provide the Committee on Economic, Social and Cultural Rights (the committee) with a complete report that integrates relevant data and material about key policies and programming outside the reporting period or beyond the scope of the committee's Concluding Observations of 12 June 2009 (E/C.12/AUS/CO/4).
4. The information in this Appendix is intended to supplement the material provided in Australia's fifth report under ICESCR. Specifically, this Appendix provides further data and materials on issues, policy and programming relevant to articles 6 and 7 of ICESCR and should be read alongside the Australia's response to the committee's Concluding Observation 18 of 12 June 2009.

II. EMPLOYMENT

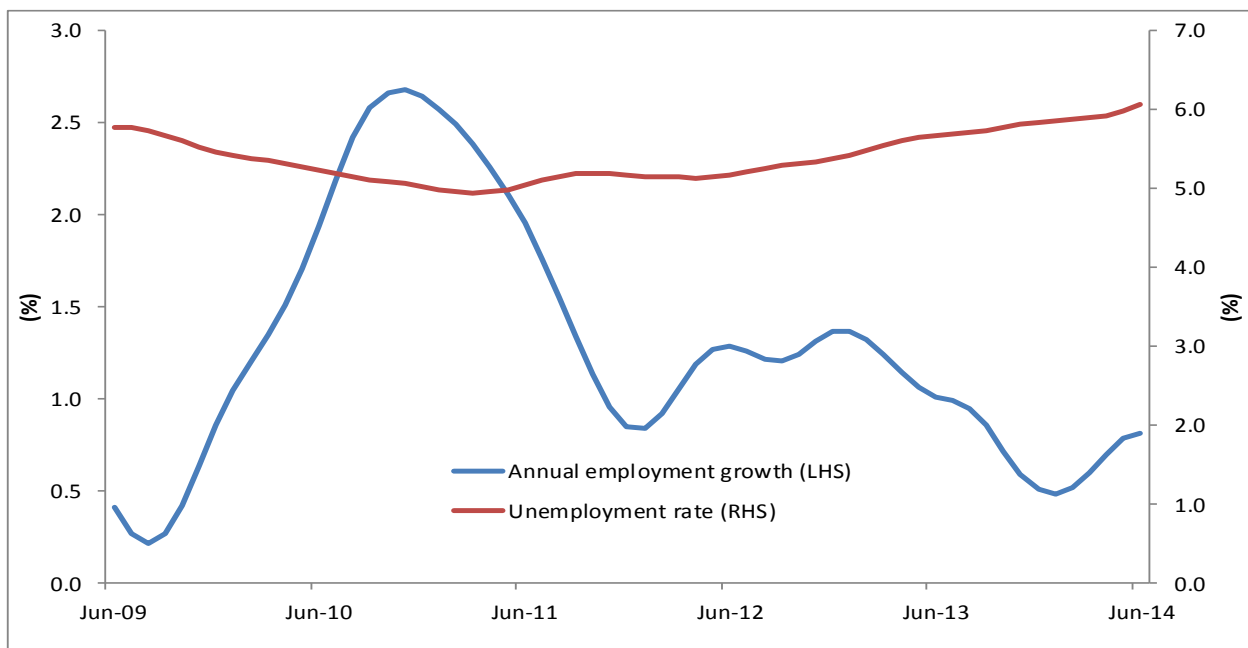
Labour Market Data

5. Over the reporting period, 1 July 2009 to 30 June 2014, labour market conditions in Australia can be divided into two distinct periods; 2009-2011 and 2011-2014.

6. Following on from the Global Financial Crisis, the Australian labour market recorded a strong recovery over the two years to June 2011, with the level of employment increasing by 447,000, or an annual average rate of 2.1 %, above the long-term trend rate of 1.8%. In addition, the unemployment rate decreased from 5.9% in June 2009 to stand at 4.9% in June 2011.

7. Over the period June 2011 to June 2014, however, the Australian labour market deteriorated, with the level of employment increasing by 336,200, or at an annual average of 1.0%, well below the long-term trend rate. Further, the unemployment rate increased significantly, from 4.9% in June 2011 to stand at 6.1% in June 2014, the highest rate recorded in over 10 years (at the time). Moreover, the rise in the unemployment rate occurred in conjunction with a decline in the participation rate, from 65.3% in June 2011 to stand at 64.7% in June 2014, well below the peak participation rate of 65.8% recorded in November 2010.

Chart 1: Annual employment growth and the unemployment rate, June 2009 to June 2014



Source: ABS, Labour Force, Australia, June 2015 (Cat. no. 6202.0) data are in trend terms.

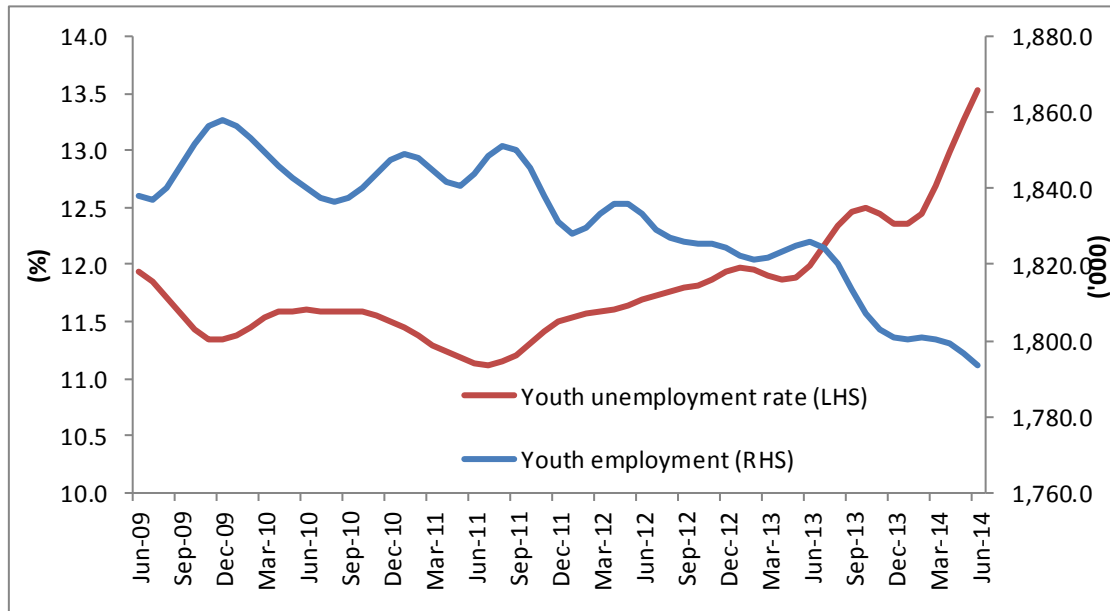
8. Since June 2014, the labour market has shown some signs of improvement although conditions remain relatively soft. For instance, the level of employment has increased by 224,400 (or 1.9%) over the year to June 2015 to stand at a record high of 11,768,600. Against this background, the unemployment rate has decreased marginally over the period, to stand at 6.0% in June 2015, while the participation rate has increased by 0.1 percentage points to 64.8%.

Youth labour market conditions

9. Youth (persons aged 15-24) labour market conditions deteriorated after the onset of the Global Financial Crisis and have continued to weaken over the five years to June 2014. For instance, the unemployment rate increased from 12.1% in June 2009 to 13.5% in June 2014, well above the 6.1% recorded for all persons at that time. In addition, the level of employment decreased by

37,000 (or 2.0%) over the five years to stand at 1,797,000 in June 2014. The decline in youth employment over the period was due, entirely, to a fall in youth full-time employment, down by 97,400 (or 10.1%).

Chart 2: Youth employment and the unemployment rate, June 2009 to June 2014



Source: ABS, Labour Force, Australia, June 2015 (Cat. no. 6202.0) data are in trend terms.

10. While there has been some improvement in labour market conditions for young people over the past year, the youth cohort remains disadvantaged. For instance, the level of employment increased by 33,000 (or 1.8%) over the year to June 2015, while the youth unemployment rate declined by 0.2 percentage points over the period, to stand at 13.3%, although it remains well above the 6.0% recorded for all persons.

11. Young people are particularly vulnerable during periods of economic and labour market softness as they tend to have less education, skills and experience than their prime-age counterparts and are therefore often the first to be retrenched by employers in times of economic difficulty.

12. On a positive note, the soft labour market conditions for youth recorded over the five years to June 2014 were associated with an increase in youth participation in full-time education, from 47.1% in June 2009 to 51.8% in June 2014 (which has increased further to 51.9% in May 2015¹, the equal highest rate on record).

13. The deterioration in labour market conditions for youth over the five years to June 2014 has been associated with a considerable weakening in employment outcomes for domestic graduates across all tertiary education sectors over the last five years.

14. Of particular concern is the marked decline in outcomes for graduates in the higher education sector. Significantly, only 68.1% of bachelor degree graduates found full-time employment after graduating in 2014 (down from 79.2% in 2009), the lowest rate on record.

15. There is also evidence to suggest that larger numbers of graduates who do find a job are working in occupations which require lower skill levels (than their degree would normally confer), or are working fewer hours than they would like, suggesting that underemployment of graduates is also on the rise. In 2014, 20.3% of bachelor degree graduates seeking full-time employment were employed on a part-time or casual basis, up from 13.4% in 2009.

16. This also suggests that large numbers of higher education graduates are now competing with other job seekers for entry level vacancies, which is likely to limit opportunities for unqualified applicants to find appropriate employment. This is highlighted by the fact that in 2014, 22.4% of workers in the relatively low skilled clerical and administrative occupations held a bachelor degree or higher qualification, up from 18.1% in 2009.

17. The vast majority of bachelor degree graduates who do find work immediately after graduation are employed in highly skilled jobs. In 2014, 73.8% of the bachelor degree graduates who found full-time employment were employed in a managerial or professional capacity although this is down from 84.8% 20 years earlier and 75.7% in 2009. Consequently, there has been a rise in the proportion of graduates working in slightly lower skilled jobs (up from 4.0% in 1994, 9.2% in 2009, increasing to 10.3% in 2014) and in relatively low skilled jobs (up from 11.3% in 1994, 15.1% in 2009, rising to 15.9% in 2014).

Employment Services 2015 - jobactive

18. The government's employment services system during the reporting period for Australia's fifth report under ICESCR was, Job Services Australia.

19. The contract for Job Services Australia expired on 30 June 2015. The Australian Government is investing \$5.1 billion over three years from 2015-16 to implement new employment services arrangements that will commence from 1 July 2015.

20. The new Employment Services 2015 model, *jobactive*, will improve employment assistance for eligible job seekers. It includes a new mix of incentives, services and payments to ensure high quality services from providers. There are also wage subsidies to encourage employers to hire, train and retain job seekers.

Mutual obligations under *jobactive*

21. Under *jobactive*, mutual obligation requirements have been simplified and extended to ensure more job seekers remain active and engaged while looking for work. Most job seekers under the age of 50 will be required to participate in Work for the Dole for either 15 or 25 hours a week for six months each year, depending on their age. This will enable job seekers to gain the skills and experience they need to move from welfare to work as soon as possible, while at the same time making a positive contribution to their local community. Fees and payments to providers have been restructured to promote a stronger focus on achieving longer-term job outcomes. Training will be targeted to meet the needs of employers and the jobs available in the local area.

Assistance for disadvantaged groups under *jobactive*

22. To ensure vulnerable groups - Indigenous Australians, migrants, refugees, people with disability, and mature age job seekers - receive tailored assistance, tenderers for 2015-2020 employment service provision were required to outline strategies for achieving outcomes for job seekers. This included specific plans for cohorts of job seekers represented in the regions in which they were bidding for employment provider services including vulnerable job seekers. Successful tenderers will be held accountable for the commitments they made in their tender response.

23. Under the new Employment Services 2015 model, *jobactive*, Indigenous job seekers who have been unemployed and have received assistance for six months will have access to the Long Term Unemployed Wage Subsidy of up to \$6,500.

24. *jobactive* will also have Indigenous employment outcome targets incorporated into the performance framework. Achieving Indigenous outcome targets will form part of employment

providers' ongoing performance assessment and sanction may apply if they fail to meet these targets.

25. *jobactive*, requires providers to provide tailored assistance to all job seekers, including culturally and linguistically diverse, migrant and refugee job seekers. This includes referral and access to specialist migrant and refugees services if required.

26. The Australian Government has invested in a number of measures to assist disadvantaged job seekers into employment. For example:

- a job commitment bonus of up to \$6,500 to encourage young job seekers to take up employment and remain off income support
- relocation assistance to provide job seekers who are unemployed for 12 months or more with an allowance to move away from their home region to take up a job¹
- restart wage subsidy of up to \$10,000 for eligible employers who employ and retain eligible job seekers who are 50 years of age or older, and who have been unemployed and on income support for six months or more²
- a long-term unemployed and Indigenous wage subsidy of up to \$6,500 for eligible employers to hire and retain long-term unemployed job seekers who have been registered with an employment services provider continuously for at least 12 months or Indigenous job seekers for at least six months³
- commencing 1 November 2015, a wage subsidy to help young job seekers. Up to \$6,500 may be paid to eligible employers who hire and retain a job seeker under the age of 30 who has been registered with an employment services provider for at least six months, and
- commencing 1 November 2015, a parents wage subsidy of up to \$6,500 for eligible employers who hire and retain a job seeker who has been registered with an employment services provider for at least six months, has activity test requirements or participation requirements and is in receipt of a parenting payment or is a Principal Carer in receipt of an eligible income support payment.

New Employment Measures to Support Job Seekers

27. While outside the reporting period for Australia's fifth report; in the 2015-16 Budget, the Australian Government announced new employment measures that focus on making job seekers more employable, reducing the costs of taking on new staff, and ensuring job seekers are meeting their obligations and actively looking for work.

28. These measures are part of the *Growing Jobs and Small Business* package, which - along with other significant reforms - aims to create the right conditions for Australian businesses to thrive and grow.

29. The package focuses on helping employers to create new jobs and assisting Australia's unemployed, particularly young people, to access the skills and opportunities they need to become job-ready.

¹ Job seekers are provided up to \$6,000 if they move to a regional area to take up a job or up to \$3,000 if they move from a regional area to a metropolitan area. Job seekers may also receive up to \$3,000 if they move from a capital city with high unemployment to one with lower unemployment to take up a job.

² The Restart wage subsidy is paid in four six-monthly payments of \$3,000 after six months employment, \$3,000 after 12 months employment, \$2,000 after 18 months employment, and \$2,000 after 24 months employment. Mature age job seekers employed for at least 30 hours a week will attract the full rate of Restart. Eligible job seekers employed between 15 and 29 hours a week attract a pro-rata Restart subsidy.

³ To be eligible job seekers must be unemployed and with an employment provider for 12 months, or six months for Indigenous job seekers. Employers will be eligible for the first wage subsidy payment of up to \$3,250 after the job seeker is employed for six months with a second payment of up to \$3,250 after 12 months.

30. The main features of the Growing Jobs and Small Business package include:
- a new Transition to Work programme to help young people who are not engaged in education or employment aged 15-21 to become job-ready, providing them with flexible and holistic pre-employment assistance from community-based organisations
 - a new National Work Experience programme with access to voluntary work experience of up to 25 hours per week for four weeks for eligible job seekers - this will give employers the opportunity to develop the skills of potential employees and test their suitability, while job seekers will continue to receive their income support
 - changes to wage subsidies to increase take-up and reduce complexity and red tape for employers - including increasing the Tasmanian Jobs Programme wage subsidy and allowing the full Restart wage subsidy to be paid over 12 months instead of two years
 - new trial programmes to help young people and parents at risk of long-term welfare dependency - such as people from areas of entrenched disadvantage - to address their barriers to employment
 - stronger and more immediate consequences, including penalties, for job seekers who do not meet their mutual obligation requirements
 - a requirement for early school leavers to actively look for work if they are not taking part in education or training for 25 hours a week, to increase their chances of finding a job, and
 - a new requirement for job-ready job seekers up to the age of 25, to complete pre-benefit activities to show they are doing all they can to look for work. This supports a Social Services measure of an additional four-week waiting period for income support for these job seekers.
31. These initiatives will operate with the new Employment Services 2015 model, *jobactive*, to help employers find staff to meet their business needs and help more job seekers to find and keep a job from 1 July 2015

Mature Age Workers

32. In light of Australia's ageing population, the contribution of older workers is becoming more crucial in the workplace.
33. As at 31 May 2015, there were around 184,000 job seekers over 50 years of age participating in Job Services Australia (around 22% of the total number of job seekers in Job Services Australia).
34. When older Australians lose their jobs, they face challenges in finding new employment. To address this, from 1 July 2014 the Australian Government commenced a Restart program for Australian businesses that provide jobs to people 50 years of age or older and who have been unemployed and on income support for six months or more.
35. As part of the Growing Jobs and Small Business Package announced in the 2015-16 Budget, the Restart wage subsidy has been redesigned to increase take-up and reduce complexity. Effective from 1 November 2015, the length of Restart will be reduced so that up to \$10,000 in assistance can be paid to employers over 12 months, rather than 24 months. Mature age job seekers employed for at least 30 hours per week attract the full rate of the Restart wage subsidy. Eligible job seekers employed between 15-29 hours per week attract a pro-rata Restart subsidy.⁴
36. The Corporate Champions program supports large employers who recruit and retain mature-age staff (45 years and over). This program is supported by a campaign which promotes positive

⁴ Further information available at: www.employment.gov.au/restart-wage-subsidy

employer attitudes towards mature age job seekers, as well as raises awareness and encourages take up of the Restart wage subsidy.⁵

37. The Government is working to change employer and community attitudes towards older workers, including through the www.experiencepays.gov.au website and the “Power of Oldness” campaign. Both the campaign and website highlight the benefits which mature age people bring to the workplace, including reliability, experience, a strong work ethic and leadership. The Power of Oldness campaign video is available online.⁶

38. The Australian Government also helps older Australians to work through the Work Bonus. This incentive is for pensioners over 65 years to participate in the workforce by allowing them to keep more of their pension when they have earnings from working.

39. Examples of state and territory policies and programming for mature aged workers are provided below.

State and Territory Policies and Programming for Mature Age Workers

Australian Capital Territory

40. One of the ACT Government’s goals is to ensure that every resident can reach their potential, contribute to the community, and develop the skills and capabilities they need for better economic participation. To achieve this, ACT residents can access a range of vocational education and training opportunities. Training is provided in areas of high skills needs through the Australian Apprenticeships (User Choice) Program, the Skilled Capital initiative and subsidised training at the Canberra Institute of Technology. Initiatives to remove barriers to learning and achievement include fee concessions, mentoring, special equipment, additional classroom support and foundation skills training (language, literacy and numeracy).

41. Grants have also been provided for a range of adult community education programs since 1998. Funded programs provide pathways to further education and training for people who have experienced barriers to learning.

New South Wales

42. New South Wales workforce participation rates for people aged 60 to 64 years are slightly lower than the rest of Australia. The state’s ageing strategy outlines the government’s response to the opportunities and challenges of an ageing population. The strategy is a whole-of-government and whole-of-community approach, which helps individuals to take responsibility for their futures and commits the government to recognising and removing barriers to continued participation. Actions under the strategy include working with employers to promote age-friendly employment practices such as flexible work, employer awards, corporate champions and best-practice guidelines, and developing the public service as an employer of choice for mature-aged workers.⁷

South Australia

43. *Prosperity through longevity: South Australia’s Ageing Plan 2014-2019* recognises the importance of work for older people and the challenges associated with that at both the personal and systemic level. Working to support the rights of older people to meaningful employment, including through direct engagement with employers, is a current key priority area of action. The Department for State Development has primary carriage of policy and programs supporting older

⁵ Further information available at: www.employment.gov.au/corporate-champions ; & <http://www.dss.gov.au/our-responsibilities/seniors/programs-services/working-after-pension-age>

⁶ Further information available at: www.powerofoldness.com

⁷ Further information available at: www.adhc.nsw.gov.au/data/assets/file/0011/257276/1282_ADHC_NSW-AgeingStrategy_WEB.pdf

workers, however the Office for the Ageing in SA Health also has a commitment to support a range of targeted projects and programs to grow employment opportunities and outcomes for older South Australians.

Tasmania

44. The Tasmanian State Service does not have defined mature-age employment programs, but continues to monitor the demographics. In 2014 the average age of Tasmanian Government employees was 46.8 years, with 57.8% of the workforce aged over 45 years.

Western Australia

45. The Western Australia Department of Health (WA Health) is committed to creating an equitable and diverse workforce that is representative of the state's community. Through a number of plans and policies, people from a wide range of backgrounds are encouraged to work for WA Health, including those from culturally diverse backgrounds, people with disability and mature age workers. These include the:

- Equity and Diversity Plan 2010-2015
- Equal Opportunity and Diversity Policy
- Substantive Equality Policy
- Disability Access and Inclusion Plan 2010-2015, and
- Disability Access and Inclusion Policy.

46. Disability access and inclusion plans are in place throughout the North Metropolitan Health Service, which incorporate strategies to increase access to employment opportunities, and identify and remove recruitment and selection barriers. The state's Health Phased Retirement Policy and Guidelines provide strategies that promote flexible work practices to help retain mature age staff.⁸

⁸ Further information available at: http://www.health.wa.gov.au/publications/daip/DoH_DAIP2010-2015_Entire_Document.pdf