

Our Roadmap for a dynamic and inclusive labour market

A critical moment for Australia's labour market

Australia's labour market has transformed alongside its economy, with significant shifts in the composition of the workforce, the jobs people are doing and their experiences at work. Today's labour market is much more inclusive, flexible, services-oriented and productive than in previous eras but there's work to do to ensure Australians are beneficiaries of the changes we anticipate in our economy and society.

Our labour market is falling short of its potential. Around 3 million Australians would like more work, and outcomes vary significantly based on where people live, whether they've experienced complex disadvantage, their gender, and other personal characteristics. Employers have experienced acute labour shortages that have impeded their ability to expand and grow.

Australia's productivity growth has declined and is falling behind international peers. This is limiting opportunities for businesses to thrive and for people to benefit from sustainable real wage growth.

Building up the potential and inclusiveness of Australia's labour market is critical to our ability to deliver on our broader social, economic and environmental goals. For example, we need to expand the provision of quality care and support to meet the demands of population ageing, and the growing demand for early education and care and the National Disability Insurance Scheme (NDIS). Australia is also committed to achieving a 43 per cent reduction in emissions by 2030 and net zero by 2050 and is uniquely positioned to become a renewable energy superpower. And we need to seize the opportunities arising from the technological and digital transformation of our economy.

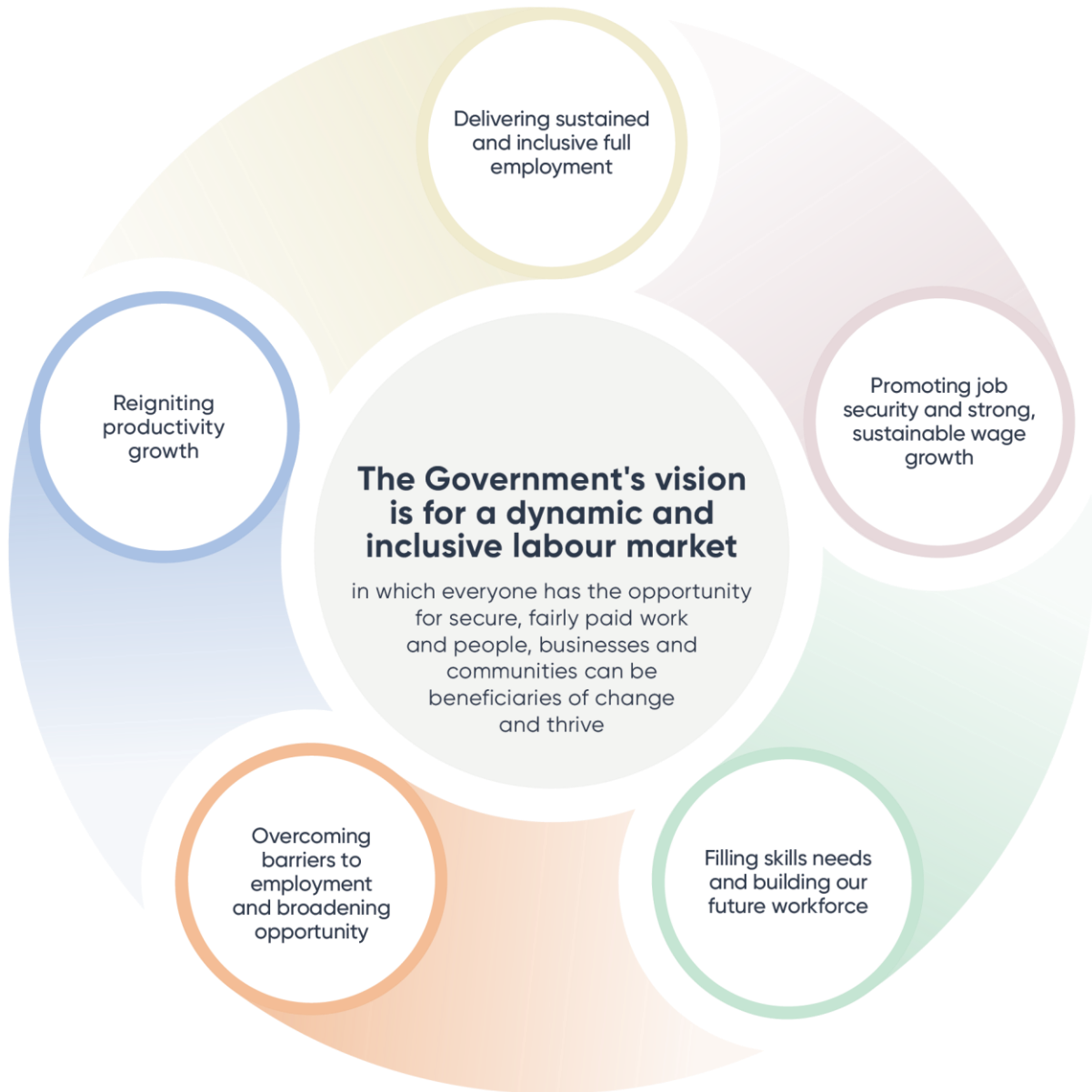
This Roadmap sets the policy directions the Government will take to position the Australian labour market for the future, through investing more in education, skills and training, expanding opportunities to work, and boosting labour productivity. It lays out our approach to sustained and inclusive full employment, investing in human capital and ensuring the benefits of work and opportunity are available to more people right across Australia.

New policy directions for a dynamic and inclusive labour market

The labour market is central to Australians' wellbeing. The Government's vision is for a dynamic and inclusive labour market in which everyone has the opportunity for secure, fairly paid work and people, businesses and communities can be beneficiaries of change and thrive. The Government's five objectives discussed in this White Paper all contribute to achieving this vision (Figure R.1).



Figure R.1 The five objectives contributing to our vision



Achieving this vision will require concerted action across a comprehensive range of policy levers. The Government's Roadmap for delivering these reforms is built around 10 policy areas:

1. **Strengthening economic foundations** by placing full employment at the heart of our institutions and policy frameworks, progressing a five pillar productivity agenda and strengthening the foundations for secure, fairly paid jobs.
2. **Modernising industry and regional policy** so people, communities and businesses are positioned to withstand the challenges and reap the benefits as we strive to become a renewable energy superpower, realise the opportunities of technological change and broaden and deepen Australia's industrial base.



3. **Planning for our future workforce** by coordinating skill priorities and policies, and meeting workforce needs in the context of a growing care and support economy, the net zero transformation and technological change.
4. **Broadening access to foundation skills** by charting a course towards universal access to affordable, quality early childhood education and care, improving school outcomes and expanding access to adult learning opportunities that help people find and keep a secure, fairly paid job.
5. **Investing in skills, tertiary education and lifelong learning** by increasing the share of Australians studying in areas of high skills need, improving collaboration between the vocational and higher education sectors, and removing barriers to learning across the course of people's lives.
6. **Reforming the migration system** through better targeting skilled migration, improving the employment outcomes of international students and realising the employment potential of migrants.
7. **Building capabilities through employment services** by setting out clear principles for future reform and implementing changes in an evidence-based way that applies learnings from evaluations and accounts for the needs of local labour markets and individuals.
8. **Reducing barriers to work** by addressing disincentives to participate, improving the quality of support for people with disability, and promoting gender equality.
9. **Partnering with communities** to achieve genuine place-based change informed by community needs, deepening ties with social enterprise and partnering with First Nations people to support economic development.
10. **Promoting inclusive, dynamic workplaces** by working with employers to foster workplace diversity, collaborating with businesses through the employment services system and improving the quality and transparency of data to measure workplace performance.

Improving women's economic equality is a Government priority, and will require a focus on women who face complex and intersecting forms of disadvantage, as well as looking at ways we can better value and share care work, ensure safe and respectful workplaces and reduce workforce gender segregation. These sit as cross-cutting principles guiding action across each of the objectives and policy priorities.

The Roadmap has its genesis in the Jobs and Skills Summit

This White Paper builds on the solid foundations provided by the Jobs and Skills Summit in September 2022. Extensive consultation with employers, workers, communities, civil society, unions and governments has consistently informed our approach. The Summit brought together over 140 Australians to discuss the challenges and opportunities facing the labour market, such as addressing skills shortages, delivering secure, well-paid jobs and boosting productivity. The Summit resulted in 36 immediate outcomes and 38 areas for further work, which are all now completed or in progress.

Many issues raised at the Summit have been acted on or explored in depth through a wide-ranging, year-long stakeholder engagement process for the White Paper. This included considering over 400 public submissions, consultations in every state and territory, partnering with researchers and academics, and engaging with more than 250 stakeholders, including meeting with people with lived experience and from diverse backgrounds. The perspectives and ideas shared through these forums inform the Government's policy agenda going forward.



A Roadmap to navigate the future

The Government's policy agenda for delivering its vision for Australia's labour market is summarised in this Roadmap. It presents our policy actions across three time horizons – work that has been implemented, work underway and future reform directions. We have already made meaningful progress – for example to improve skills development, support women's economic participation, improve migration settings and make workplaces fairer and safer. We are also taking new actions through this White Paper. Importantly, the future reform directions outlined in this Roadmap summarise the Government's forward policy agenda which will be progressed in the 2024–25 Budget and over the years to come.

The process of reform is already underway

The Government has already taken action to build the workforce we need now and into the future. For example, we have established Jobs and Skills Australia (JSA) to elevate workforce planning, committed to 480,000 Fee-Free TAFE places to grow our skilled workforce, and made important policy changes such as raising the Temporary Skilled Migration Income Threshold so that our skilled migration system better complements the skills of Australians. The *Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022* (Secure Jobs, Better Pay Act) has reformed our workplace relations system. This includes putting gender equality and job security at the heart of the Fair Work system and, among other things, updating our bargaining system to ensure all workers and businesses can negotiate in good faith for agreements that benefit them.

Significant work underway includes investing an additional \$3.7 billion in a new National Skills Agreement with states and territories and the Australian Universities Accord process, which both aim to enhance our tertiary education sector. We are reforming the Disability Employment Services model, as well as replacing the Community Development Program and ParentsNext, to begin shifting the focus of employment services to building capability. We are developing a National Strategy for the Care and Support Economy to take a joined-up approach to care and support sector labour shortages, and a National Strategy to Achieve Gender Equality in pursuit of a more gender equal society. And reviews are underway to improve access to quality, affordable early childhood education and care (ECEC) by the Productivity Commission and Australian Competition and Consumer Commission.

Further examples of the measures implemented to date and work underway are mapped against the White Paper's 10 priority policy areas in the Roadmap tables below.

The White Paper sets out new policies and new directions

Achieving the Government's vision for the labour market will require ambition, collaboration and action across a comprehensive range of policy levers. The transformation of the labour market in the past 50 years has shown we can become more inclusive and more productive – and the changes expected over the next 50 years will require even greater effort.

Strong economic management and robust institutions will provide the basis on which we can create more well-paid and secure jobs for more Australians across our country. At the heart of the Government's policy agenda is a new approach to full employment – one that emphasises inclusion and opens up the benefits of work to more people. This means critically assessing reforms through the lens of how they contribute to job creation, grow skills and remove barriers to work. Full employment should not be simply a statistical estimate, it must be at the centre of the Government's agenda.



Fostering an environment that promotes the growth of new, high productivity jobs and supports sustainable wages growth is a priority for Government. We are taking action to boost productivity across the economy through our five pillar productivity agenda.

Modern industry and regional policy, including strategic coordination and crowding-in investment in priority areas, are needed to broaden and deepen Australia's industrial base into the future. Through our new approach, the Government will promote the investment needed in key industries, work to modernise our national infrastructure and support innovation. The Government's investment in JSA will improve the planning needed for businesses and workers to source and develop the skills they need.

A strong and connected tertiary sector is critical to industry development, technological adoption and supplying human capital to support our future economy. Tertiary education will need to keep pace with Australia's changing industry composition and the evolving mix of skills required by business. The Government will promote new, innovative models of tertiary collaboration, including by fast tracking the establishment of up to six TAFE Centres of Excellence, and consulting with industry, unions, tertiary institutions and across governments to define the scope, outcomes and benefits of a National Skills Passport. The Government is also exploring opportunities for more widely accessible degree-level higher apprenticeships, which TAFE Centres of Excellence will be instrumental in delivering.

The Government is elevating lifelong learning and foundation skills across our education and training systems. Recognising that human capital development starts early in life, the Government is committed to making access to high-quality, equitable and affordable early childhood education and care universal, and is charting a course towards this ambition. In the schooling system, the next National School Reform Agreement provides a significant opportunity to tie funding to reforms needed to lift student outcomes. We will deliver stronger and more inclusive foundation skills training through improving access to the redesigned Skills for Education and Employment program and promoting lifelong learning, including by building up the microcredentials ecosystem. The Australian Universities Accord will inform a long-term plan for Australia's higher education system.

Migration is not a substitute for investing in the skills of Australians. However, a well-targeted skilled migration system boosts productivity, and can complement the skills of Australians in addressing short term skills shortages. The Government's new Migration Strategy will better target our skilled migration system, improve employment outcomes for international students and take steps to reduce exploitation.

Recognising the importance of improving the outcomes of employment services, the Government is defining clear principles for employment services reform which will set the direction for how we will support people seeking jobs, and businesses seeking workers. The Government wants the future employment services system to invest in people's potential, building their human capital and connecting with broader social services to help people overcome barriers to participation and build pathways to decent jobs. The Government will also back the social enterprise sector to provide more employment and training opportunities for Australians facing disadvantage.

The Government is addressing disincentives to work in the income support system by extending the nil rate period so that people can retain concession cards for longer when they first get back into work. This change recognises that for some, the transition is difficult and there are disincentives currently in the system. We are retaining enhanced arrangements for the Pension Work Bonus so age pensioners who wish to combine work and payment can keep more of what they earn.



Across this agenda, the Government is continuing its commitment to place-based approaches, which involve communities as active participants in the design of policies and programs. We are expanding and reforming the Local Jobs Program, and will be developing approaches that are right for communities and coordinating resources to directly address the local drivers of disadvantage to help us achieve inclusive full employment.

To build a stronger evidence base for sustained and inclusive full employment, the Government is investing in enhanced labour market data and analytical capability. This is particularly important for understanding and responding to the labour market experiences of cohorts that are too often under-represented, so we can better support more Australians into secure, fairly paid work.

To achieve the future reform directions in this Roadmap we need strong partnerships and collaboration with and between governments, employers, unions, civil society and the broader community. For example, recognising the significant opportunity we all have to improve economic opportunity for Aboriginal and Torres Strait Islander people, the Government is working with the Coalition of Peaks to scope a First Nations Economic Partnership. We are also working with businesses to foster inclusive and dynamic workplaces and ensure our workforce is well-trained and valued. While the Government is responsible for policy settings and reforms that maximise labour market opportunity, all participants in the labour market have a responsibility to work together to realise the benefits.

By working together, we can build a stronger, fairer and more inclusive economy and society for generations to come.



Box R.1 Taking practical steps now to modernise Australia's labour market: new commitments

Meeting our skills needs and building our future workforce

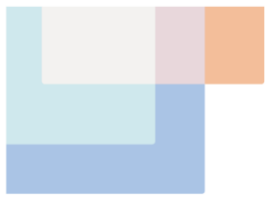
- *Turbocharging TAFE Centres of Excellence* – fast tracking up to six TAFE Centres of Excellence nationally to begin in 2024, working with states and territories to bring together industry and education and training providers – including universities – to design world leading skills and curriculum.
- *Advancing Higher and Degree Level Apprenticeships* – developing more widely accessible degree-level higher apprenticeships that can be delivered by VET providers to meet industry needs in priority areas such as clean energy, care and support and digitalisation.
- *National Skills Passport* – defining the scope, outcomes and benefits of a National Skills Passport in consultation with industry, unions, tertiary institutions and across governments to help people more easily demonstrate their skills to employers and reduce barriers to lifelong learning.

Incentivising and supporting participation

- *Addressing Disincentives to Work in the Income Support System* – extending the nil rate period to allow income support recipients to retain access to concession cards and other supplementary benefits for longer, to smooth the transition to work.
- *Enhancing the Work Bonus* – providing an ongoing upfront credit of \$4,000 to the Work Bonus income bank of new pensioners over Age Pension age and eligible veterans and permanently lifting the maximum Work Bonus balance from \$7,800 to \$11,800.
- *Reforming the Local Jobs Program* – embedding best-practice place-based policy design principles in the program, and expanding eligibility to more people seeking work.
- *First Nations Economic Partnership* – collaborating with the Coalition of Peaks and First Nations stakeholders to scope an economic partnership.
- *Backing Social Enterprises* – identifying ways to provide more employment and training opportunities for Australians who face disadvantage.

Supporting evidence-based policy development and program delivery

- *Addressing Data Gaps* – funding enhanced labour market data from the Australian Bureau of Statistics (ABS) and analytics capability in the Treasury as we take forward our policy agenda.



1 Strengthening economic foundations

Table R.1 Actions to strengthen our economic foundations

Implemented	Underway	Future reform directions
<p>Set clear, strategic objectives</p> <ul style="list-style-type: none"> Introduced a new, bolder full employment objective Made full employment, real wages growth, and women’s economic equality core objectives of our Economic and Fiscal Strategy Added job security and gender equality to the objects of the Fair Work Act <p>Established a better evidence base for policy development</p> <ul style="list-style-type: none"> Introduced gender responsive budgeting and a national wellbeing framework: Measuring What Matters Established the Australian Centre for Evaluation Refreshed the Tax Expenditures and Insights Statement Released a new Intergenerational Report to guide our understanding of future workforce needs and opportunities Established a Women’s Economic Equality Taskforce to provide advice on priorities for women’s economic equality <p>Supported the lowest paid</p> <ul style="list-style-type: none"> Advocated for pay rises through submissions to Fair Work Commission Annual Wage Reviews Fully funded the largest ever increase to award minimum wages through aged care work value case Legislated to expand access to bargaining for small businesses and industries with low levels of bargaining 	<p>Strengthening economic institutions</p> <ul style="list-style-type: none"> Implementing RBA Review recommendations Renewing the Productivity Commission Empowering the Fair Work Commission to set minimum standards for employee-like work Better coordinating strategic planning across economic institutions, including Jobs and Skills Australia and the new Net Zero Authority Promoting inclusion by working with new advisory forums, including the Economic Inclusion Advisory Committee Legislating reforms to close loopholes that undercut wages and conditions, and to criminalise intentional wage theft Funding the ABS to address priority gaps in labour market data <p>Improving productivity</p> <ul style="list-style-type: none"> Elevating productivity reform on National Cabinet’s agenda Working across portfolios to realise productivity growth opportunities, including through the Competition Review, Migration Strategy, National Strategy for the Care and Support Economy and a Net Zero 2050 plan 	<p>Elevate full employment in decision-making</p> <ul style="list-style-type: none"> Embed sustained and inclusive full employment as a strategic objective Better measure and monitor progress to full employment, especially underemployment and outcomes across cohorts Address structural sources of underutilisation <p>Progress a five pillar productivity agenda</p> <ul style="list-style-type: none"> Create a more dynamic and resilient economy Build a skilled and adaptable workforce Harness data and digital technologies Deliver quality care more efficiently Invest in cheaper, cleaner energy and the net zero transformation <p>Embed the fundamentals for secure, well-paid jobs</p> <ul style="list-style-type: none"> Promote labour market dynamism, including investigating non-compete agreements Further address migrant worker exploitation through Migration Strategy initiatives Improve gender equality and safety in the workplace

The Government has an ambitious vision – one centred on creating more opportunities for more Australians to have secure jobs with growing wages. Sound economic management and a well-functioning labour market are essential to realising this vision, and complement other policy areas explored in this Roadmap which create jobs, boost productivity and wages, build skills and broaden opportunities to work.



For too long, the debate around full employment has been too narrowly focused on statistical estimates of cyclical unemployment. The national unemployment rate is near record lows, although is expected to rise modestly over the coming year. Even though more people are participating in paid work than ever before, we know that there are still many Australians who want work, or to work more hours, and there are stark differences in employment outcomes across different groups of people in our society. The last decade produced the slowest productivity growth in 60 years, which has contributed to slower real wage growth.

The Government has bolder ambitions for our labour market. We have set a new, broader definition for our full employment objective of sustained and inclusive full employment and we are pursuing a broad-based agenda to boost productivity and drive strong and sustainable wage growth.

Sound and effective economic institutions and policy frameworks that promote robust and inclusive growth are essential to achieving these outcomes.

To strengthen our economic foundations, the Government is:

- placing full employment at the heart of our institutions and policy frameworks
- progressing a five pillar productivity agenda
- strengthening the foundations for secure, well-paid jobs.

Our actions to date have set clear strategic objectives, invested in stronger economic institutional and policy frameworks, improved the quality of analysis available to inform policy development, and set up mechanisms to ensure all voices are heard. Significant work is underway to embed our full employment objective across Government policies, to lift productivity through a five pillar agenda, and to strengthen the foundations for secure, well-paid jobs – including by promoting pay equity and addressing exploitation – and to drive women’s economic equality.

Strong institutions, frameworks and a robust evidence base provide the bedrock for effective policies and better economic and labour market outcomes. They are being complemented by a full suite of actions across the policy areas detailed in this Roadmap. This includes building people’s skills and capabilities, creating the conditions for businesses to grow and realise the benefits from emerging industries and technologies, overcoming barriers to work and working with communities and businesses to promote a more inclusive and dynamic labour market. Together, these efforts will help drive sustained and inclusive full employment, reinvigorate productivity and ensure strong, sustainable wage growth.

Elevating full employment in decision-making

We are setting clear objectives and building strong institutions and frameworks. These actions support a strong economy, drive better labour market outcomes, and ensure our people, businesses and communities are beneficiaries of the big structural changes underway. This includes a new, broader definition for the Government’s full employment objective and elevating this as a strategic objective across the core decision-making frameworks that guide policymaking.

We are improving our policy development process, and improving the data and analysis we have to measure progress and highlight shortfalls in pursuit of full employment. Together, these are the foundational enablers of other priority actions.



Sustained and inclusive full employment is an overarching policy objective

The Government's objective is sustained and inclusive full employment – where everyone who wants a job can find one without searching for too long. This recognises that there is still significant untapped potential in our labour market.

Full employment is a core objective in the Government's Economic and Fiscal Strategy, along with growing real wages, and ensuring women's economic participation and equality. We are implementing the recommendations of the RBA's review, including clarifying that the RBA's dual mandate for monetary policy is price stability and full employment. This will ensure we have the most effective central bank, monetary policy framework, and processes now and into the future. As is longstanding practice and consistent with the RBA Review, the Reserve Bank will remain operationally independent.

Through sound macroeconomic management and policy settings that promote strong and sustainable economic growth, we can help keep employment as close as possible to its current maximum sustainable level. While economic shocks can sometimes occur and cause cyclical deviations from this level, effective macroeconomic policy management can minimise the adverse impact these cycles have on employment and provide the best environment to sustain full employment. We will ensure that fiscal policy and monetary policy are working together to help achieve this.

Better measuring and monitoring employment

Our approach to achieving sustained and inclusive full employment recognises that underemployment has become a more significant source of spare capacity and that a broader focus on, and better measures of, underutilisation and its causes are needed.

Limitations in the level of labour market information available have constrained policymakers' ability to account for underemployment and variation in employment outcomes across cohorts. To address this, the Government will invest in significantly improving the data available to policymakers through expanding the ABS's data on barriers to job mobility and career progression, job security and the quality of employment. This will improve the data available on the amount and value of unpaid care, and include consulting on more frequent employment data for First Nations people. This builds on our earlier actions to improve ABS data on factors preventing people entering the workforce, including barriers facing women, unpaid carers, people with disability, older people, First Nations people, culturally and linguistically diverse people and those living in remote areas, as an outcome of the Jobs and Skills Summit.

Addressing structural sources of underutilisation

The Government is placing more emphasis on addressing the sources of structural underutilisation, to raise the level of employment we can sustain over time and broaden labour market opportunities. We are addressing the structural sources of underutilisation, from helping people to acquire new skills and capabilities to breaking down barriers to work that prevent people from realising their potential. While strengthening Australia's skills system is at the centre of this effort, a broad suite of policy levers will play important roles in supporting growth in jobs and addressing barriers to employment. This will require action across all 10 policy areas presented in this Roadmap.

We are establishing new institutions that will provide new focus and coordination to ensure we are building the workforce we need for the future, and that all Australians are well placed to benefit from our changing economy. JSA is improving our ability to anticipate and influence the skills needs associated with our changing economy, and the Net Zero Authority will promote an orderly and positive transformation through decarbonisation. This will better ensure that the skills needed by our



economy match the skills of workers now and into the future, facilitating better matching, and lowering structural underutilisation as our economy and workforce needs continue to evolve.

Some of our actions, such as our commitment to the National Agreement on Closing the Gap for First Nations People (Closing the Gap Agreement), are cross-cutting – delivering on these commitments helps meet multiple objectives. The Closing the Gap Agreement, agreed by the Commonwealth, the states and territories, the Australian Local Government Association, and the Coalition of Peaks is the overarching policy framework to overcome the inequality experienced by First Nations people and achieve life outcomes equal to all Australians, including in employment. There are four Priority Reform areas, 17 socio-economic outcome areas, and 19 socio-economic targets aimed at addressing specific areas of disadvantage including education and employment outcomes. As at June 2023, only four of the 19 targets are on track to be met by 2031. Achieving sustained and inclusive full employment will contribute to meeting these targets. Closing the Gap represents a significant opportunity to improve First Nations people’s lives, including through improved economic participation.

Progressing a five pillar productivity agenda

Productivity growth is central to the Government’s objective of delivering strong and sustainable wage growth, as well as supporting job creation. No single policy decision determines overall productivity outcomes. Instead, reinvigorating productivity growth will require focused and systematic efforts across a wide range of policy areas, often working in partnership with states and territories.

The Government has a five pillar productivity agenda (Box R.2) to catalyse and accelerate productivity-enhancing reforms. This agenda focuses on enduring drivers of productivity growth, including effective investment in physical and human capital, boosting innovation and promoting dynamic and competitive markets. However, it recognises that the policy actions required to bring about these outcomes change over time. Realising Australia’s productivity potential will require responding to our changing economic structure: capturing new opportunities presented by the growth of the care and support economy, the net zero transformation and the increased use of digital technologies, and tailoring efforts to boost investments in physical capital, skills and innovation to the prevailing challenges in these areas.

The Government is already taking action to implement this agenda. Working with states and territories, we have elevated productivity reform on National Cabinet’s agenda and instigated cross-jurisdictional initiatives such as the Better Planning for Stronger Growth reforms to support coordinated and effective investments in our cities, towns, and suburbs. We are helping to realise the productivity benefits of data and digital technologies in the care and support economy. For example, investment in *My Health Record* is supporting a more integrated and person-centred healthcare system.

Going forward, the Government is focused on driving reforms across all five pillars of our productivity agenda. The 10 areas for reform outlined in this Roadmap have been shaped by this five pillar productivity agenda. This section outlines our strategy, and provides examples of how it is being progressed.



Box R.2 Our five pillar productivity agenda

Our five pillar agenda provides strategic focus for a program of ongoing productivity reform. Examples of current priority areas of work include:

Creating a more dynamic and resilient economy	Strengthening competition by ensuring our laws, policies and institutions are fit for purpose, and providing a favourable environment for doing business
	Renewing and strengthening the Productivity Commission
	Reducing barriers to labour mobility, including through increasing the supply of secure, affordable housing
	Boosting private sector investment and ensuring that public investment delivers better value for money
Building a skilled and adaptable workforce	Modernising markets so people and businesses can trade more efficiently and safely, through payments systems reforms, a simplified trade system and digital markets
	Investing in better educational outcomes from early childhood, to schools, to tertiary education and lifelong learning
	Reinvigorating foundation skills programs and improving access to tertiary education
	Better targeting skills needs through workforce planning and tailored responses to industry challenges
Harnessing data and digital technology	Reforming the migration system to better attract highly skilled workers and combat worker exploitation
	Improving access to high-speed internet connectivity, especially in regional areas
	Supporting businesses to adopt digital technologies and improving cyber security
	Raising digital foundation skills across our workforce and expanding the supply of workers with specialist digital skills in our economy
Delivering quality care more efficiently	Growing our critical technologies industries such as quantum, robotics, and Artificial Intelligence (AI)
	Developing a strategy to holistically build the care and support economy and workforce
	Developing strategies to assist the sector to adopt technologies that can reduce strenuous, repetitive or administrative tasks
	Streamlining regulatory burden, without compromising quality
Investing in cheaper, cleaner energy and the net zero transformation	Improving models of care to lift the quality and efficiency of services
	Committing to net zero by 2050 and providing clarity on the pathway
	Investing in new cheaper, cleaner energy
	Promoting efficient decarbonisation, including through ensuring the integrity of carbon credits
	Growing high-productivity low-emissions industries
	Supporting efficient adaptation and investments in resilience



Creating a more dynamic and resilient economy

Dynamic and competitive markets lay the foundation for businesses to innovate and boost productivity. The Government is taking action to get this enabling environment right.

We are reviewing competition laws, policies and institutions to ensure they remain fit for purpose, with a focus on reforms that will increase productivity, reduce the cost of living and boost wages. The Competition Taskforce in Treasury is advising on reforms to non-compete clauses that restrict workers from shifting to a better-paying job, merger settings and competition issues raised by new technologies. We are also committed to renewing and strengthening the Productivity Commission, to ensure it is well placed to provide robust advice in the changing global economic landscape.

We are removing barriers to labour mobility in partnership with the states and territories, including through increasing the supply of secure, affordable housing. This includes setting a target of 1.2 million new homes over five years from 1 July 2024 and increasing investment in social and affordable housing including through the Housing Australia Future Fund, Social Housing Accelerator and National Housing Infrastructure Facility. The Government is working with National Cabinet to support this momentum through the National Housing Accord. We are improving cross-jurisdictional worker mobility through digitalisation of occupational licensing and improved worker screening in the care and support sector.

Reforms are underway to boost private sector investment in Australia and ensure public investment delivers better value for money. For example, we have boosted tax incentives to support Build-to-Rent developments to reduce barriers to new supply in the private rental market, and we are streamlining the Foreign Investment Review process and strengthening foreign relationships to attract overseas capital. We are completing an independent strategic review of the Infrastructure Investment Program, and preparing an Infrastructure Policy Statement that will ensure the Government's investments in infrastructure deliver productivity, sustainability and liveability outcomes. We are supporting small businesses to invest in energy efficiency and storage through our Small Business Energy Incentive.

These actions have been supported by the Treasurer's Investor Roundtables, which bring together global asset managers, investors, superannuation funds, banks and relevant experts to help identify and overcome barriers to investment in priority areas, including in housing and the net zero transformation.

We are modernising markets so people and businesses can trade more efficiently and safely. The Strategic Plan for the Payments System is modernising our payments system, enabling greater competition, innovation and productivity across the economy, providing certainty for industry investment, and supporting new entrants to navigate the regulatory landscape. We are supporting improved competition in our financial markets, including in clearing and settlement services, to provide any emerging competitors with fair, transparent and non-discriminatory access to market infrastructure. And we will strengthen Australia's sustainable finance markets through a Sustainable Finance Strategy, which will seek to ensure Australia's financial markets keep pace with global developments and can effectively support the transition to net zero. Actions underway include the development of a Sovereign Green Bond program – this will enable investors to back public projects driving Australia's net zero transformation and boost the scale and credibility of Australia's green finance market.

A skilled and adaptable workforce

The skills of our workforce are a key determinant of productivity growth. A skilled, adaptable workforce will place us in the best position to innovate and diffuse ideas, making the most of the changes in the global economy.



The Government is driving improvements in the delivery of foundation skills and reforming the tertiary education sector to better meet skill needs. We are investing in more affordable, accessible, equitable and high-quality ECEC to support child learning and development, improving school outcomes and teacher effectiveness, and lifting foundation skills, including through the redesign of the Skills for Education and Employment program. Through the new five-year National Skills Agreement and Australian Universities Accord, we are also reforming the vocational education and higher education sectors to meet current skill needs, including by expanding opportunities for Australians from regional areas and under-represented backgrounds to gain tertiary qualifications.

Australia's migration system can also do much more to support productivity growth. Migration is not a substitute for investing in skills, but a well-designed skilled migration program can complement the skills of Australians, connect Australian businesses to international markets and help spread global best practices. The Government has already taken significant steps to realign skilled migration with Australia's priorities, including through raising the Temporary Skilled Migration Income Threshold and extending post-graduation work rights for international students studying in priority areas. The next phase of reforms to the migration system will focus on realigning migration with Australia's strategic priorities and amplifying its contribution to productivity growth.

These priority areas are discussed in greater detail in sections on Planning for our future workforce, Broadening access to foundation skills, Investing in skills, tertiary education and lifelong learning, and Reforming the migration system.

Harnessing data and digital technology

Data and digital technologies provide opportunities for transformational change in the way we produce goods and services and how market players compete. To maximise the impact of this transformation on productivity, the Government is focused on expanding adoption across all parts of Australia.

High speed internet connectivity is the backbone of digital transformation, and the Government is expanding full-fibre NBN access to an additional 1.5 million premises by late 2025, including at least 660,000 premises in regional Australia.

The Government is helping all businesses to adopt digital technologies. This includes championing data sharing, improving the infrastructure and security for data sharing, and supporting innovation, the diffusion of knowledge, and the development of a workforce skilled in adopting digital technologies. The Government is expanding Digital ID into a national, whole-of-economy system that provides Australians with a secure, convenient, voluntary and inclusive way to verify who they are when accessing services online, without having to provide copies of their personal identity documents to business and government. This has significant productivity benefits, including streamlined government service delivery. We are also helping businesses adopt advanced and cutting-edge digital technologies, through a critical technologies package that includes initiatives such as a National AI Centre, and we are consulting on the right guardrails and regulations to promote the safe and responsible use of AI.

Broadening adoption also requires building trust in digital technologies and how they can be used at work. The Government has already elevated cyber security to a national priority and made significant investments in building cyber capabilities, including developing a 2030 Australian Cyber Security Strategy and supporting small businesses to uplift their cyber skills. Going forward, the Government will focus on putting guardrails in place that give businesses confidence they can trust and leverage new technologies, such as responsible AI. Together with significant investments in building digital skills, these initiatives will support businesses to realise the productivity improvements possible through digital technologies.



These priorities areas are discussed in greater detail in sections on Modernising industry and regional policy, Planning our future workforce, and Investing in skills, tertiary education and lifelong learning.

Delivering quality care more efficiently

As an ageing population and rising demand drive growth, finding ways to improve productivity in the care and support economy will become increasingly important to Australia's aggregate productivity performance. A productive and sustainable care and support economy is a core objective of the Government's forthcoming National Strategy for the Care and Support Economy 2023–2033. In support of this objective, National Cabinet has agreed to work together to streamline worker screening to reduce administrative burden and facilitate labour mobility.

The Government is improving the quality and efficiency of spending including through improving funding and procurement approaches, and driving innovation through better policy evaluation and the diffusion of best practice. Improvements underway include the introduction of a new residential aged care funding model, which is targeting funding more closely at care need, a new star ratings system for aged care providers to drive competition, and increasing dispensing quantities for common medicines. The NDIS Review is looking at the design, operations and sustainability of the NDIS. Across the health system more broadly, by delivering health care at the right time and in the right way, we can provide better care, more efficiently. This includes improving access to multidisciplinary care for people with chronic conditions in underserved communities, use of technology, and enabling our health workforce to work as close as possible to the top of their scope of practice.

Going forward, the Government is focused on leveraging its active role as a service provider, funder and regulator to promote productivity-enhancing practices. This means using funding and regulatory tools to shape market behaviour towards desired outcomes that can raise productivity, such as the entry of high-quality providers and improved use of assistive and emerging technologies.

Targeted actions to assist the care and support economy workforce are also discussed in the section on Planning for our future workforce.

Investing in cheaper, cleaner energy and the net zero transformation

Improving productivity in large and growing sectors is important because these sectors will have an outsized impact on Australia's overall productivity outcome. In addition, changes underway in Australia's economy, such as the potential to generate low-cost renewable energy, matter because they present new avenues to improve productivity and mitigate productivity headwinds.

Australia's abundant sources of renewable energy, including wind and solar, create an opportunity to become a renewable energy superpower. Cheaper energy, efficiency improvements and circular economy measures to reduce carbon emissions will unlock opportunities to produce more from less. New industries that are central to the net zero transformation, such as green metals and critical minerals, present new opportunities to add value and diversify. By promoting competition, innovation and dynamism through the net zero transformation, Australia can use this historic economic shift to lift productivity across sectors. The Government is investing more than \$40 billion to realise our ambition to become a renewable energy superpower.

The net zero transformation will require significant investment in physical capital. Getting this right can support Australia's energy sector to catch-up to the global productivity frontier. The Government has provided the policy clarity industry needs to invest by legislating its commitment to a 43 per cent emissions reduction by 2030, reforming the Safeguard Mechanism and taking action to ensure the integrity of Australian Carbon Credit Units. We are also working closely with state and territory



governments to ensure regulatory barriers and planning requirements are well coordinated and do not add unnecessary delays in critical investments. The Government is introducing internationally aligned requirements for large companies and financial institutions to make consistent and comparable climate-related financial disclosures designed to support institutional investment in the net zero transformation. Later this year the Government will also consult on a Sustainable Finance Strategy to reduce barriers to investment and increase the transparency and credibility of Australia's sustainable finance markets.

The physical impacts of climate change will present some headwinds to productivity growth. Effective action to mitigate emissions and, where necessary, to adapt to higher temperatures and build resilience, will have a significant impact on Australia's productivity potential. Supporting innovation and diffusion, such as the development of climate-smart agricultural goods, will play an important role in mitigating these impacts. By investing in improved disaster resilience, such as early flood warning systems, and developing a National Climate Adaptation Plan, the Government is increasing Australia's resilience to floods, bushfires and other extreme weather events, and improving communities' ability to recover.

The potential productivity gains associated with the net zero transformation can only be achieved if these projects have the workforce available in the right locations with the right skills. The Government is working on a number of fronts to ensure that the workforce planning required is in place. JSA will help us understand what skills are required through its Clean Energy Capacity study, and the Government is establishing the Net Zero Authority to help coordinate the transformation and support workers into alternative employment opportunities. The Government will coordinate efforts with states and territories through the National Energy Transformation Partnership and delivery of the National Energy Workforce Strategy, which will focus on both energy generation and energy demand workforces. To support the upskilling and reskilling required to achieve the net zero transformation in the most productivity-enhancing way, the Government is supporting new and innovative tertiary education programs such as the establishment of TAFE Centres of Excellence.

These priority areas are discussed in greater detail in the sections on Modernising industry and regional policy, Planning for our future workforce, and Investing in skills, tertiary education and lifelong learning.

Embedding the fundamentals for secure, well-paid jobs

A more inclusive, fair and productive labour market is key to achieving our objectives for full employment and wage growth. Reigniting productivity growth through our five pillar agenda will contribute to sustainably lifting wage growth. We are improving equity in our labour market, including through reducing the gender pay gap, advocating for our lowest paid workers, promoting job security and preventing mistreatment of employees, including the exploitation of migrant workers.

Supporting the lowest paid and job security

The Government has taken action to support Australia's lowest paid workers through its submissions to the Fair Work Commission's (FWC) Annual Wage Review (AWR). The 2023 AWR decision to increase the National Minimum Wage by 8.6 per cent and increase Modern Award wages by 5.75 per cent resulted in the largest annual increases in history. The Government has also supported the largest ever increase to award minimum wages, where the FWC provided an interim increase of 15 per cent to award minimum wages for many aged care workers.



The Secure Jobs, Better Pay Act amended the *Fair Work Act 2009* (Fair Work Act) to add the principles of job security and gender equality in the FWC's decision-making processes. The Secure Jobs, Better Pay amendments to the Fair Work Act also included limits on the use of fixed term contracts for the same role (from 6 December 2023), to improve employees' job security. The Government's reforms to the Fair Work Act have also reinvigorated bargaining.

The Government is making the definition of casual employment fairer so the practical reality of the employment relationship is relevant and create a new pathway to permanency for casual employees if they are working like a permanent worker.

The Government is also leading by example on job security, preferencing direct employment in aged care and will examine the drivers of insecure work and other aspects of job design and use stewardship levers to incentivise more secure and fairly paid jobs for workers.

Addressing wage underpayment

Underpayment harms workers and forces businesses that follow the law to compete with businesses that have an unfair advantage. Underpayment particularly affects workers with lower bargaining power, including young workers, migrant workers and people with disability.

The Government is taking action to drive behavioural change, prevent underpayments, and ensure workers receive their lawful entitlements. The Secure Jobs, Better Pay Act implemented recommendation 4 of the Migrant Workers' Taskforce by amending the Fair Work Act to prohibit job advertisements that include rates of pay that would breach the Fair Work Act. This prohibition reinforces the expectation that employers consider their workplace obligations, including correct rates of pay, before advertising employment. The Government will continue to address migrant worker exploitation through the forthcoming Migration Strategy, discussed further in the Reforming the migration system section.

The Government is undertaking a review of the Fair Work Act small claims procedure, to determine what enhancements could be made to enable workers to more easily recover their unpaid entitlements. The Government has also committed to better regulating labour hire arrangements to protect workers from exploitation, promote compliance with relevant laws and drive behavioural change in the labour hire industry.

The Government has introduced legislation to create a federal criminal offence for intentional wage theft, increase maximum civil penalties for underpayment-related civil remedy provisions in the Fair Work Act, and amend the defence to sham contracting to disincentivise employers from contracting out of paying entitlements to workers who should be classified as employees.

Commitment to gender equality and women's safety in the workplace

The Government's reforms have embedded principles of job security and gender equality in the FWC's decision-making processes. The FWC has commenced research on the occupations and industries where there is gender pay inequity and potential undervaluation of work and qualifications. Findings will be incorporated into future AWR decisions. The Government has also established expert panels for Gender Pay Equity and the Care and Community Sector in the FWC and appointed gender pay equity, anti-discrimination and care and community sector experts to sit on these panels. These initiatives ensure the FWC has the expertise to appropriately address gender-based undervaluation and help improve pay and conditions in low-paid, feminised workforces.

In efforts to promote accountability and narrow the gender pay gap, the Government has passed reforms to the *Workplace Gender Equality Act 2012* to improve the transparency of gender pay gaps.



From early 2024, the Workplace Gender Equality Agency will publish the gender pay gaps of eligible employers with 100 or more employees.

At the Government's request, the FWC has started a targeted review of modern awards. The FWC will, as part of the review, consider modern awards settings in the context of the new job security and gender equality objects in the Fair Work Act. The review will include research on the impact of modern awards on work and care and explore opportunities to make awards easier to use and more accessible.

The Government has also committed to implementing all the recommendations of the Respect@Work Report. We have already implemented the recommendation to strengthen the Respect@Work Council by giving business and unions a permanent seat at the table, along with government and civil society. Key legislative reforms passed last year included the introduction of a positive duty in the *Sex Discrimination Act 1984* requiring employers to take reasonable and proportionate measures to eliminate sexual harassment and an express prohibition on sexual harassment in connection with work in the Fair Work Act.

These actions align with the Government's broader approach to gender equality discussed in the section on Reducing barriers to work.

An evolving system in a changing labour market

The Government is focused on updating Australia's workplace relations system to reflect the changing nature of work, including the evolving role of the gig economy and the use of labour hire.

The *Fair Work Legislation Amendment (Closing Loopholes) Bill 2023* will improve the workplace relations system, to provide greater certainty, fairness and a level playing field for both business and workers. It is closing loopholes that undermine wages and conditions, including job security. These reforms would also prevent the use of labour hire from undercutting bargained wages in enterprise agreements, and criminalise intentional wage theft.

The reforms will also modernise how employment standards apply to the gig economy by giving the FWC jurisdiction to set minimum standards for some employee-like workers who perform work through digital labour platforms. Currently, gig economy workers are generally engaged as independent contractors, so employee protections such as the National Employment Standards and minimum wages do not apply. The reforms give the FWC the ability to set appropriate minimum standards, which could include payment terms, deductions, working time and insurance. The reforms will also allow some digital labour platforms to voluntarily make collective agreements with registered organisations representing employee-like workers, and provide protections for employee-like workers against unfair deactivation from a digital labour platform.

These reforms acknowledge the legitimacy and ongoing value of the gig economy. They do not convert gig workers to 'employees' of platforms or add requirements that undermine the flexible nature of this work, such as setting rostering or overtime requirements. Instead, they recognise the evolution of forms of work and allow core workplace relations practices, including bargaining, to apply in appropriate ways.

Reforms to labour market institutions and frameworks set the foundations for more secure, well-paid jobs, and form a part of a broader strategy set out in the remainder of this Roadmap.



2 Modernising industry and regional policy

Table R.2 Actions to modernise industry and regional policy

Implemented	Underway	Future reform directions
<p>Set national priorities</p> <ul style="list-style-type: none"> Legislated emissions reduction targets of 43 per cent by 2030 and net zero by 2050 Defined seven national priority areas through the National Reconstruction Fund, ranging from value-add in resources to medical science Established the Critical Technologies List, including AI, quantum, robotics, advanced manufacturing, clean energy tech and biotechnology Introduced the Regional Investment Framework to ensure investments are delivering for regions Established the National Energy Transformation Partnership and National Transformation Principles with states and territories to coordinate the renewable energy and broader net zero transition Established the National Cyber Security Coordinator Made targeted investments in priority areas, including \$100 million equity investment in the Australian Made Battery precinct Established Music Australia and Creative Workplaces, and delivered a National Cultural Policy 	<p>Coordinating strategic investment</p> <ul style="list-style-type: none"> Convening investor roundtables to unlock investment in priority areas Investing in net zero through initiatives like the Capacity Investment Scheme Establishing a Sustainable Finance Strategy to attract green finance Rebuilding capabilities through the National Reconstruction Fund and the Industry Growth Program Refreshing Australia’s National Science and Research Priorities Developing strategies for AI and cyber security Delivering the Buy Australian Plan Supporting Australia’s transition to a circular economy by 2030 <p>Investing in modern infrastructure</p> <ul style="list-style-type: none"> \$120 billion infrastructure pipeline focused on improving productivity, supply chains and economic growth \$20 billion Rewiring the Nation to modernise our electricity grid \$1.1 billion Better Connectivity Plan to boost digital foundations \$4 billion in Northern Australia Infrastructure Facility \$1 billion in the Growing Regions and Regional Precincts and Partnerships Program Delivering a mission-based approach to innovation through \$3.4 billion Defence Advanced Strategic Capabilities Accelerator Strengthening biosecurity and disaster resilience systems 	<p>Back people, regions and industries</p> <ul style="list-style-type: none"> Invest in people, their mobility and adaptability Invest in places, especially through periods of transition Broaden and deepen Australia’s industrial base, including through the Critical Minerals Strategy and National Battery Strategy <p>Become a renewable energy superpower</p> <ul style="list-style-type: none"> Set strong foundations for a net zero economy, including through sectoral decarbonisation plans Realise net zero industrial opportunities Provide strategic coordination through the Net Zero Authority <p>Promote tech adoption</p> <ul style="list-style-type: none"> Support businesses to adopt technologies Foster an innovative science and technology sector Build trust and certainty in technologies, including by developing responsible AI guardrails and cyber security capabilities Improve access to digital skills

A broader and deeper industrial base will increase national resilience and build capacity for people to adapt to change. Significant forces, including the net zero transformation and the fragmentation of supply chains, present both challenges and opportunities for our economy. Sound and coordinated industry and regional policy, combined with a strong enabling environment, policy certainty and leadership, will position Australia’s industrial base for the future. This will support our vision for a



dynamic and inclusive labour market in which everyone has the opportunity for secure, fairly paid work and people, businesses and communities can be beneficiaries of change and thrive.

The Government has made significant progress in defining a clear vision for Australia's industrial and regional potential. We are laying the foundations to realise this potential through the National Reconstruction Fund, Industry Growth Program and the Net Zero Authority. Through our ambitions for a future where more is made in Australia, we have invested in regional foundations such as the NBN, and over \$40 billion across over 50 policies and measures in our plan for becoming a renewable energy superpower. We are putting regions and their people at the centre of decision-making which is formalised through the Regional Investment Framework. We are supporting people through economic transformation, equipping our workforce to benefit from productivity-enhancing technologies, and expanding access to critical and emerging technologies. This will create opportunities across our nation, increase our productivity, and support our decarbonisation ambitions.

The Government is taking a coordinated and strategic approach to industry and regional policy. We are bringing a clearer perspective on the role of Government: promoting and crowding-in investment, supporting commercialisation and innovation, modernising national infrastructure, and enabling place-based solutions.

The Government's approach recognises that tailored industry and regional policies have an important national role when:

- *There are significant opportunities to build Australia's future prosperity.* Industry policy should be aligned with areas where Australia is likely to have a sustained comparative advantage. Investments should support long-term fiscal sustainability and advance clearly defined and articulated goals. Broad policy levers including signalling, coordinating and crowding-in private investment can support addressing externalities and investment in public goods.
- *There are critical risks arising in our economy that markets alone cannot solve.* In recent decades globalisation has underpinned substantial economic efficiency gains for Australia and the global economy. However, it has also increased our economic vulnerabilities in some areas. Building resilience to critical risks will ensure our economy can continue to function under a range of adverse scenarios. The Government will take a national perspective in assessing these risks and ensuring they are appropriately and proportionately mitigated.

Backing people, regions and industries through transitions

The Government is empowering people and regions to adapt to change and take advantage of opportunities. In many cases, providing equitable access to government services and building adaptive systems will help people manage changes in employment opportunities. However, targeted assistance may be required to support regions through periods of structural change where:

- *There are concentrated costs to transformation, but widely shared benefits.* In these cases, the Government should act to ensure these costs do not fall solely on the impacted communities. This recognises that equitable and fair policies work in the national interest to promote social cohesion.
- *There is a risk of disadvantage becoming entrenched.* Closure of a main employer has the potential to contribute to entrenched disadvantage within a community. While the states and territories have primary responsibility for regional development, Commonwealth support should be coordinated across governments, to make investments work better for regions. Where appropriate, consideration should also be given to the use of place-based approaches.



In line with this approach, the Government is investing in people to help them adapt to new opportunities in a changing economy, and investing in places to promote the ongoing development of diverse and vibrant local economies, including supporting the growth of low-emissions industries in regions with emissions-intensive industries.

Investing in people

The rising prominence of Australia's services-oriented economy means we are reconsidering how we invest for future productivity and growth – investing in people and their human capital is the best way to help them prosper through change. We are investing in people's skills, training and education by supporting access to high-quality regional education opportunities, including through establishing up to a further 20 Regional University Study Hubs. This will enable students in rural, regional and remote Australia to complete higher education within their own community. We are also supporting worker mobility, by improving the supply of social and affordable housing through the Housing Australia Future Fund, as well as establishing a permanent National Housing Supply and Affordability Council.

Responsive policy is fundamental to help people adapt to change. Tailored and evidence-based employment services represent an investment in our workforce's potential. Significant disruptions to employment may warrant a more active response – as the net zero transformation takes place, the Government's employment services system can offer additional services through periods of concentrated change. As discussed further in the Partnering with communities section, we are taking a place-based approach and partnering with communities, and collaborating across governments, employers, and workers to tailor our response to support people's potential.

Investing in places

The Government recognises that strong connections to place and community are a source of stability through periods of change. The Government's Regional Investment Framework is taking a place-based approach to boosting regional adaptive capacity that reflects each region's specific circumstances and needs. The Government is attracting capital and businesses to support transitioning regions. The Powering the Regions Fund is supporting regional Australia to reduce emissions in existing industries, foster new clean energy industries, and develop associated workforces.

Going forward, the Government's approach to place-based support will have a focus on being timely and targeted, and tailored to the specific challenges being faced. Government is working closely with communities to understand regional priorities. Through \$1.35 billion in investment in community and economic infrastructure, the Government is investing in places to unlock productivity, create jobs and improve liveability. We are working towards a national approach to cities, suburbs and regions, which will be formalised through the National Urban Policy. Every community in Australia will be able to apply for grants, either through the Growing Regions or Thriving Suburbs programs for funding that supports their region's strategic priorities. In addition, processes such as the refresh of the White Paper on Developing Northern Australia is a 20-year plan for investment and collaborative support to unlock the strategic potential of Northern Australia and underpin the Northern Australia Action Plan.

The Government is also working in partnership to expand economic opportunities for Aboriginal and Torres Strait Islander communities, as discussed in the Partnering with communities section.

Our approach will be evidence-based, proportionate, and leverage existing mechanisms where possible, including cooperation with all levels of government and affected businesses.

The Government's response to the independent strategic review of the Infrastructure Investment Program will ensure it is focused on projects which improve long term productivity, supply chains and economic growth. For example, investment in high-speed rail could support regions such as the Hunter



realise productivity gains. Achieving these goals will require ongoing assessment to ensure industry support represents value-for-money. Businesses and industries that are viable in the long-term without subsidies are an important element of thriving regions.

Investing in industry

The Government is acting to broaden and deepen our industrial base, investing in capabilities critical to Australia's future.

The \$15 billion National Reconstruction Fund will provide finance to projects to leverage Australia's natural and competitive strengths in the following priority areas: renewables and low emission technologies; medical science; transport; value-add in the agriculture, forestry and fisheries sectors; value-add in resources; defence capability; and enabling capabilities. This includes up to \$1 billion for advanced manufacturing. In addition, the new Industry Growth Program will support innovative small and medium businesses take advantage of opportunities in National Reconstruction Fund priority areas. Together these programs will diversify and transform Australian industry, create secure, well-paid jobs, and boost sovereign capability.

We are taking a mission-based approach to investing in the technologies and the innovation needed for our national security, as identified by the Defence Strategic Review. To support our national security capabilities, the Government is providing \$3.4 billion over 10 years from 2023–24 through the Advanced Strategic Capabilities Accelerator to lift capacity to rapidly translate disruptive new technologies into defence capability. Close partnership with Australian industry, research, and government partners will support our innovation ecosystem.

The Government is taking a more strategic approach to invest in and support priority areas. Recognising the importance of the arts, entertainment and cultural sector to our economic and social fabric, the Government is supporting Creative Australia to revive arts in Australia. Creative Australia is supporting the delivery of National Cultural Policy – Revive. The Government is also investing \$1 billion in biosecurity over the next four years from 2023–24, to support our farmers and safeguard our agricultural industry. We are providing funding to improve Australia's resilience to natural disasters, including by uplifting capacity of the National Emergency Management Agency. Other investments in areas of strategic importance include our Critical Minerals Strategy 2023–2030 and our forthcoming National Battery Strategy.

Becoming a renewable energy superpower

Australia's renewable energy resources, abundant and valuable raw materials, skilled workforce, and geographic proximity to other inputs and key destination markets provides a unique opportunity to become a renewable energy superpower. This economic opportunity will support jobs growth, especially in regions that have traditionally powered Australia, and can support improvements in productivity across the economy. The Government has a plan to realise Australia's renewable energy potential, focused on taking a strategic approach to decarbonising existing industries, being deliberate about building new comparative advantages and facilitating coordination across governments, investors, industries and communities.



Foundations for a net zero economy

The Government has set out clear goals for decarbonising Australia's economy. We have legislated our commitment to reduce emissions by 43 per cent below 2005 levels by 2030, and to reach net zero emissions by 2050. We have reformed the Safeguard Mechanism to provide clarity on emissions pathways for heavy emitters. We have set a target of 82 per cent renewables for electricity generation by 2030. We have completed an Independent Review of Australian Carbon Credit Units to ensure the integrity of carbon credits and enable efficient abatement across the economy, and support all recommendations in principle. We are delivering on our Nature Positive Plan for a nature positive economy and creating more environmentally sustainable jobs, including by establishing Environment Protection Australia and Environment Information Australia.

Over the next year, the Government will define a clear pathway to net zero, by developing six sectoral decarbonisation plans, collectively covering the entire economy. This will be the most significant effort to identify clear industry decarbonisation pathways and growth opportunities in Australia. It will require investments in clean energy infrastructure and technologies. Partnership and collaboration are a feature of our approach – we will work with unions, First Nations communities, and academia, alongside states and territories to ensure a coherent national vision. Through this process, actionable sectoral plans will be produced outlining pathways to decarbonise each sector of the economy:

- Electricity and energy
- Industry
- Resources
- The built environment
- Agriculture and land
- Transport

The sectoral plans will inform decarbonisation efforts, ensuring Australia's plan to reach net zero is practical, efficient and coordinated. Sectoral plans will complement actions being taken to implement Australia's Nature Positive Plan, which includes establishing a nature repair market which will make it easier for businesses and individuals to invest in nature.

By developing a clear, shared pathway to net zero, the Government is providing business and investors with the information needed to invest in Australia's low-carbon industrial potential. Australia's sustainable finance taxonomy, being developed in partnership with industry, will provide credible and consistent definitions for green finance. Actions under the Government's Sustainable Finance Strategy, like the issuance of Green Bonds and the introduction of mandatory climate risk disclosures, will attract further green investment capital to invest in Australia's net zero transformation.

Realising net zero industrial opportunities

The net zero transformation is creating new opportunities to broaden and deepen Australia's industrial base. Our strategic and disciplined approach to industry policy recognises the importance of investing in shared infrastructure, diffusing new innovations and creating a good business environment with the right regulatory settings to enable businesses to seize new opportunities.

The Government has already invested more than \$40 billion in our plan to make Australia a renewable energy superpower, covering over 50 policies and measures. This includes significant investments in transmission infrastructure, de-risking investment in firmed renewables and storage through the Capacity Investment Scheme, and supporting diffusion of clean energy technologies through the



Australian Renewable Energy Agency. We are also modernising environmental approvals to quicken the decarbonisation of our economy.

Australia has grown the geostrategic and economic footprint of our critical minerals sector by becoming a globally significant producer of raw and processed critical minerals. The Critical Minerals Strategy 2023–2030 will guide development of our critical minerals sector to help become a renewable energy superpower. The Strategy looks to unlock our vast potential as a major supplier of the critical minerals needed to decarbonise the global economy. Australia’s critical minerals sector will help the world decarbonise, including enabling Australia to reach our net zero ambitions.

Going forward, the Government is focused on realising the synergies emerging between industrial, environmental and geostrategic objectives. Where abundant renewable energy can underpin sustained comparative advantage in the longer term for some new and emerging industries, targeted investments in developing these industries may be warranted. For example, green hydrogen is a critical input to decarbonising key industrial processes and Australia and its trading partners are expected to have significant demand for this new product. Through the Hydrogen Headstart program and the Guarantee of Origin scheme – which will certify the emissions embodied in energy-intensive exports, the Government is accelerating the development of Australia’s hydrogen industry and positioning it to play a key role in global supply chains. The Government is also looking ahead through the Future Gas Strategy to ensure the gas industry is positioned to support Australia’s energy system to reach 82 per cent renewables by 2030, while maintaining our international reputation as a trusted energy supplier to our longstanding trading partners.

Improving the resilience of supply chains is at the centre of this approach to de-risking without de-coupling. There is scope to add more value to Australian resources and improve linkages between existing industries, such as the collaboration between Australian battery manufacturers and critical minerals producers which will be supported by the Powering Australia Industry Growth Centre. Through new preferential deals like the Climate, Critical Minerals and Clean Energy Transformation Compact with the United States and initiatives like the Critical Minerals International Partnerships program, the Government is ensuring Australians are the beneficiaries of the significant investments being made in the net zero transformation internationally.

Strategic coordination

Coordinated action across regions, industries, investors, workers, communities and governments is necessary to fully realise net zero opportunities. Some groups may need additional support to take advantage of the net zero transformation. This is why the Government is establishing the independent Net Zero Authority to:

- help investors and companies engage with net zero transformation opportunities
- coordinate programs and policies across government to support regions and communities to attract and take advantage of new clean energy industries and set those industries up for success
- support workers in emissions-intensive sectors to access new employment, skills and support.

This will include a focus on regions and industries that have traditionally powered Australia’s economy, and working to ensure that as traditional industries adapt and transform, new industries are coming online, and workers, communities and regions are supported through change.



Promoting tech adoption

Technology can support workers to move into higher productivity tasks and jobs, including in sectors where there are already persistent shortages. Driving adoption of technology is the key to unlocking productivity and increasing wage growth – 98 per cent of Australian businesses rely on adoption of established technologies and practices for productivity improvements. Yet on average the pace at which Australian firms adopt cutting-edge technologies appears to have slowed since the early 2000s. Increasing technological adoption will require trust and certainty in new and emerging technologies, and investing in digital as a foundation skill throughout our education and training systems is needed. These are core principles that set out the Government’s approach to reaching our target of 1.2 million people in tech-related jobs by 2030.

Supporting businesses to adopt technologies

Governments can support greater technology adoption through supportive business settings, encouraging the growth of innovative firms and creating a competitive environment. Businesses will need to upskill staff and adopt new processes and technologies, including investing in improving managerial capability. The Government is increasing awareness of technology use cases, from building digital foundation skills to increased engagement with emerging technologies and their applications.

The Government is providing an enabling environment to support businesses to invest in the technologies needed for the 21st century. We are providing over \$100 million to support the development of critical technologies in Australia. This includes supporting the National AI Centre in its role in supporting responsible AI usage through developing governance and industry capabilities. We are also committed to government as an exemplar for the adoption of new technologies, including through initiatives like a whole-of-government AI taskforce supporting public sector capability building.

Fostering an innovative science and technology sector

Alongside supporting businesses adopting new technologies, the Government recognises the importance of a flourishing science and technology sector to future economic growth and new job creation. For example, advances in biotechnology and clean energy research and commercialisation can underpin Australia’s future geographic competitiveness as the world transitions to a net zero future and will generate new kinds of employment prospects for Australians. Science education and training initiatives, as well as producing scientists, support the development of critical thinking, problem-solving and technical skills that are transferrable across industries. The Government is revitalising Australia’s National Science and Research Priorities and National Science Statement to connect science and innovation with helping solve the nation’s pressing challenges.

Building trust and certainty in technologies

The Government is supporting greater adoption of technologies by increasing trust and security in them. We have released a consultation paper on safe and responsible AI, as a part of ensuring that our economic and regulatory settings are well positioned to take advantage of the productivity enhancing potential of this technology in a safe, trusted, and responsible manner. The Government is taking action to address increasing cyber risks in our economy. We are investing to support and uplift cyber capabilities in Australia, including by establishing the Coordinator for Cyber Security, and supporting small businesses build in-house capability to protect against cyber threats.



Improving access to digital skills

The Government is supporting the workforce to adopt and adapt to new technologies by supporting expanded access to digital skills. Supporting workers to develop sufficient baseline skills, including in digital skills, is fundamental to our approach, and will help people to participate to their fullest in the labour market. The Government is delivering incentives to support small and medium businesses train and upskill employees and boost their digital and tech capacity through a \$1.5 billion Technology Investment Boost and the Skills and Training Boost. This will support up to 3.8 million businesses to invest in training employees to be more productive and ready for an increasingly digitalised economy.



3 Planning for our future workforce

Table R.3 Actions to plan for our future workforce

Implemented	Underway	Future reform directions
<p>Leveraged workforce planning</p> <ul style="list-style-type: none"> Established Jobs and Skills Australia and 10 new, industry-specific tripartite Jobs and Skills Councils Launched the National Teacher Workforce Action Plan Established a tripartite Agricultural Workforce Working Group Instituted a new annual Jobs and Skills Report by Jobs and Skills Australia <p>Targeted workforce shortages</p> <ul style="list-style-type: none"> Delivered around 215,000 Fee-Free TAFE enrolments with the states and territories in areas of skills shortage Established an Industry Labour Agreement for Aged Care Expanded the Australian Apprentice Support Loans to non-trade priority occupations Invested in workforce skills and training measures for the early childhood education and care sector Funded an interim 15 per cent pay increase for aged care workers to attract and retain staff in the sector 	<p>Tailoring industry specific solutions</p> <ul style="list-style-type: none"> Developing a National Strategy for the Care and Support Economy, with an early focus on our regulatory settings Working towards 1.2 million tech-related jobs by 2030 Delivering a further 300,000 Fee-Free TAFE places in areas of skills shortage from 2024 Implementing the APS Digital Traineeship Program Funding up to 20 nationally competitive PhD scholarships through the Next Generation Quantum Graduates Program Attracting and training home-grown, job-ready AI specialists through the Next Generation AI Graduates program Developing a South Australian Defence Industry Workforce and Skills Plan Reviewing the National Freight and Supply Chain Strategy <p>Building our labour market evidence base</p> <ul style="list-style-type: none"> Undertaking a National Study of Adult Literacy, Numeracy and Digital Skills Updating the Australian and New Zealand Standard Classification of Occupations to reflect modern technologies and roles 	<p>Coordinate skill priorities and policies</p> <ul style="list-style-type: none"> Introduce a single consolidated occupation list for temporary skilled migration Embed joint stewardship of the VET sector with states and territories to better identify and train students in areas of national priorities Promote innovation in qualifications and lifelong learning to ensure our ability to meet industry needs <p>Plan for the care and support economy</p> <ul style="list-style-type: none"> Build capacity and steward the care economy market and workforce as a whole, to deliver quality care and support with quality jobs <p>Grow our workforce to support the net zero transformation</p> <ul style="list-style-type: none"> Identify skill needs through the Clean Energy Capacity Study Plan our energy workforce through the National Energy Workforce Strategy <p>Expand our digital skills base</p> <ul style="list-style-type: none"> Partner with industry to improve pathways into tech careers Develop targeted strategies for priority areas, including AI, robotics and cyber security

Meeting demand for Australia’s changing skills needs will be crucial for future productivity growth and labour force participation. Better identifying future trends will better equip workers with the skills and capabilities they need in the workplaces of the future, particularly in growing areas of the economy such as care, net zero and digital, set out in Figure R.2, as well as for meeting other objectives such as building enough housing. Workforce planning will help governments, industry, education and training providers and people prepare and adapt to these changes and unlock the potential of our workforce.

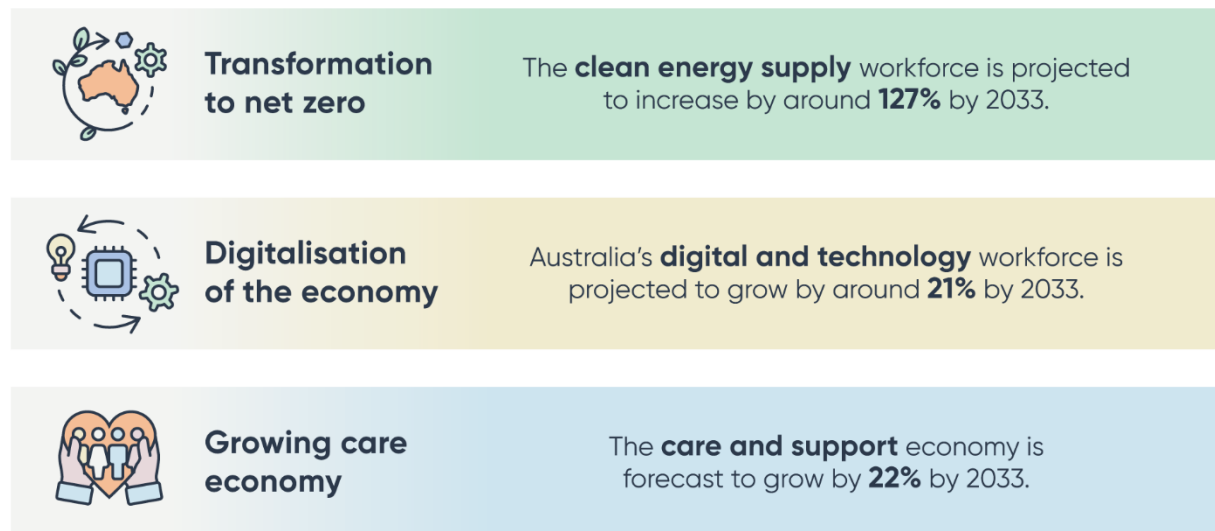
Education and training systems need to equip young people with skills for the future and facilitate targeted investments in upskilling for people who are already working. They must also consider the barriers that lead to gender segregation in key industries and workforces of the future.



Changes in wages are not always an effective signal of which skills and occupations will be in demand, particularly in emerging sectors. Without workforce planning, it is more difficult for workers and education and training systems to predict and respond to future skill needs (Broadening access to foundation skill section). Tailored, industry-specific solutions may be required.

Fostering collaboration between business, unions, governments and education providers is crucial to navigate workforce shortages more effectively. The establishment of Jobs and Skills Australia (JSA) has created a forum for planning for future workforce needs and coordinating skills priorities across policy areas. JSA brings together perspectives from educators, industry, and workers, to inform development of targeted strategies to address acute skills shortages. JSA is building world-class expertise in workforce planning, 'now-casting' employment by region and occupation each month, integrating data and analysis with industry intelligence, and considering education planning alongside workforce attraction and utilisation.

Figure R.2 Forces shaping the labour marketⁱ

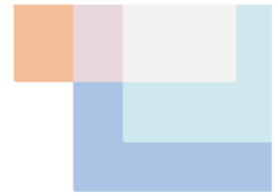


Leveraging this new institution, the Government is developing tailored responses to industry challenges. We have established 10 Jobs and Skills Councils (JSCs) across industry sectors. JSA will work in partnership with the JSCs which are adopting the same collaborative tripartite approach to workforce planning. The Government will embed a more strategic approach to workplace planning, linking JSA and JSC guidance on skills priorities into key policy choices across the VET, higher education and migration systems. In addition to this cross-cutting investment in making responsive systems, we are developing tailored solutions to acute shortages, such as in the care and support economy.

Coordinating skill priorities and policies

To meet Australia's rapidly evolving skills needs, we are aligning Australia's skills system to be more responsive to economic priorities. Decisions made across the VET, higher education and migration systems, including the location and availability of courses, the introduction of a new occupation list for

i Further details on projections are in Chapter 5.



the migration system and accreditation processes, all influence the skills developed. Better coordination and alignment across these policy settings would improve Australia's ability to fill skills needs.

A responsive skills system requires targeted and holistic solutions to acute shortages. Pronounced workforce shortages require a focus on attracting workers to the industry, supporting their journey through accessible and tailored education and training, and retaining the skilled and experienced members of the workforce.

JSA is already making a significant impact. A new annual Jobs and Skills Report will bring together detailed analysis and advice on Australia's jobs and skills needs. JSA is undertaking in-depth capacity studies of national significance for the labour market and the national skills system, including a National Study of Adult Literacy, Numeracy and Digital Skills to assess the current foundation skills across Australia, and a Clean Energy Capacity Study to examine the workforce that Australia needs to transition to a clean energy economy. Advice on specific skill needs has informed the Government's workforce actions to date, for example the design and accelerated delivery of Fee-Free TAFE places that was an outcome of the Jobs and Skills Summit.

The Government is progressing other initiatives to assist with workforce planning. JSCs have been established across:

- Energy, Gas and Renewables
- Agribusiness
- Early Educators, Health, and Human Services
- Arts, Personal Services, Retail, Tourism and Hospitality
- Public Safety and Government
- Manufacturing
- Finance, Technology and Business
- Mining and Automotive
- Building, Construction and Property
- Transport and Logistics

These Councils will provide industry with a stronger voice to ensure Australia's education and training systems deliver better outcomes. They bring together employers, unions and governments in a tripartite arrangement to find solutions to skills and workforce challenges. The ABS is updating the Australian and New Zealand Standard Classification of Occupations (ANZSCO) to ensure official skills classifications reflect contemporary technologies and roles.

Advice from JSA on skill needs will be central to policy development. JSA advice is currently informing the Government's approach to reforming the higher education sector (the Universities Accord), government policy for the VET sector (the next National Skills Agreement) and the migration system (through the Migration Strategy). JSA will continue to provide advice on key areas of future demand, such as digital skills and the clean energy workforce. The Government is also formulating a targeted industry strategy to address the current and future needs of the care and support sector. Other policy actions, such as facilitating greater upskilling and reskilling over a person's lifetime, are discussed in the Investing in skills, tertiary education and lifelong learning section.

Planning for the care and support economy

Meeting the rising demand for quality care and support services requires a shift in how we view the sector. To build the supply of workers, improve quality and support productivity and sustainability, we



need to move from a piecemeal approach to one that values the sector as a whole. This must recognise that currently this sector is highly feminised and low paid.

As the care and support economy grows it will have a larger impact on the economy overall. Meeting this demand will require a bigger workforce, equipped with the right skills and tools to support workers to deliver higher quality care. Projected demand across the care and support workforce will increase to around 801,700 workers by 2033, up from around 657,200 workers today.¹ This growth presents significant opportunities for workers to move into the sector and provide the foundations for better care outcomes.

To address immediate skills needs, the Government has established a new Aged Care Industry Labour Agreement to help employers bring in migrant workers to meet critical workforce shortages.

The Government is also growing our long-term workforce. This includes working with states and territories to prioritise enrolments through the National Skills Agreement, as well as improving pay and conditions to reflect the value of this work. The Government delivered the largest ever pay rise to aged care workers. The Government is investing in a National Worker Registration Scheme, which will help professionalise the aged care sector.

The Government is taking action to better understand workforce needs. JSA is developing an early childhood education and care (ECEC) workforce capacity study. This is in addition to investing in the skills and training of more than 80,000 early childhood educators, with a targeted focus on regional and remote services, and Aboriginal and Torres Strait Islander organisations. HumanAbility, the newly established JSC for Early Educators, Health and Human Services, support strengthened career pathways and workforce professionalisation. The Government is also considering how to build a more effective ECEC system through the Productivity Commission inquiry into ECEC and the Australian Competition and Consumer Commission's pricing inquiry.

Harnessing opportunities in the care and support economy requires considering the sector collectively – recognising that changes in one area such as aged or disability care can have flow-on effects for other areas. The Government will release a National Strategy for the Care and Support Economy to realise the three goals that underpin the Government's vision for sector: quality care and support, quality jobs, and that it is productive and sustainable.

The Government is getting the settings right to attract and retain workers, recognising the increasingly professionalised nature of the workforce. Core to building the workforce is supporting quality working conditions and fair wages. The requirement to undertake unpaid practicum placements discourages many students in care and teaching professions from enrolling and completing courses. For example, Diploma of Nursing students must complete a minimum of 400 hours, typically unpaid, in a clinical placement throughout their course (VET sector), Bachelor of Nursing students must complete 800 hours (higher education sector) and Bachelor of Midwifery must complete in excess of 1,000 hours (higher education sector).

The Government will undertake scoping work on approaches to mitigate financial hardship placed on tertiary students completing unpaid mandatory practicum placements as part of studies in care and teaching professions. With the growing need in the care and support workforce, and many NDIS participants and carers expressing a preference to do more formal work, a future priority will be considering how to help interested carers and NDIS participants move into the care and support workforce given their skills and lived experience.

The Government is also supporting increased quality of care by improving productivity in the sector. For example, streamlined worker screening arrangements can reduce time spent on worker screening checks when employees change their employer or work across sectors. Supporting existing workers to



operate at the top of their scope of practice could improve productivity and deliver quality care. Improving productivity extends to ensuring regulation and funding are fit for purpose. This requires better evaluating and understand how the markets are operating. JSA will play a central role in providing independent advice on workforce topics, including the care and support workforce.

Growing our workforce to support the net zero transformation

Achieving Australia's legislated target of net zero by 2050 will require systematic effort to expand our workforce. While a range of roles and sectors will need to grow, expanding the supply of workers involved in generation, transmission and storage of renewable energy sources will be critical. Deloitte projections for JSA show that the occupations key to the clean energy workforce will need to increase by around 30 per cent by 2033 to deliver the net zero transition. This represents an increase of 213,000 workers. It is likely there will need to be a 127 per cent increase in the clean energy supply workforce alone.^{ii,2} The competition across the world for specialised skill sets in clean energy is increasing so we need to plan.

The Government has already started to make focused investments in developing the workforce needed for the net zero transformation. We are supporting the next generation of workers into the clean energy sector and have committed to delivering 10,000 New Energy Apprentices. This is providing direct financial assistance to apprentices in the clean energy sector, incentivising for example more civil engineering technicians, electrical line workers, general electricians and metal fabricators.

Transforming our economy and our energy systems to net zero requires a systematic and sustained effort to scale up our clean energy workforce. Facilitating pathways into the sector needs to harness the breadth and depth of policies available. This will require reskilling and upskilling workers, broadening the pool of workers we hire from to consider more diverse candidates, and broadening where we hire from to attract experts from around the world. The JSA Clean Energy Capacity Study will map out the workforce requirements, outline the workforce pathways and make recommendations on the policies required to get us there.

Building on the JSA study, the Government is working to develop workforce pathways to increase the pipeline of workers in the sector. We are developing the National Energy Workforce Strategy to be released by the end of 2024. The Strategy will seek to address key challenges for the energy workforce, including attracting and retaining workers, ensuring productive quality careers in energy supply and demand sectors, and improving coordination between the Australian, state and territory governments. The Government will also work with the newly established JSC for the energy sectors, Powering Skills Organisation, to leverage their insight on addressing skills and workforce challenges in the energy sector.

In addition, the Government has formalised its commitment to gender equality in the clean energy transition by signing up to the equal pay, equal leadership and equal opportunity objectives of the global Equal by 30 campaign. This involves working to close the gender gap across the Australian clean energy sector, including by creating an Australian Women in Energy Roundtable, working across government agencies to build a Women in Energy Resources Hub, and expanding engagement across domestic and international forums within the energy sector by championing diversity and gender equality.

ii JSA defines the clean energy supply workforce as the workers whose employment relates directly to the generation of renewable energy and including hydro-electricity generation, hydrogen, offshore wind generation, wind generation and solar generation.



Expanding our digital skills base

Our economy is becoming increasingly digital and more workers need to perform tech-related tasks. We need to uplift foundation digital skills across our workforce and expand the supply of workers with specialist digital skills in our economy. Victoria University projections for JSA show tech occupations will grow by 12 per cent over the next five years to 2028, and by around 21 per cent over the 10 years to 2033.^{iii,3} Tech-related shortages are spread across the economy and are not constrained to one sector, making it challenging to address in a targeted manner. Achieving the Government's goal of 1.2 million tech-related jobs by 2030 will require a broad-based approach and better collaboration between industry, the education and training systems and the migration system.

Better coordination, analysis and planning for the tech workforce are vital to unlocking productivity opportunities across the country. The Government has taken a first step in this direction by establishing the Future Skills Organisation, a JSC that covers key areas of the tech industry and works in partnership with JSA to align workforce planning for the tech sector.

A challenge to growing the pipeline of digitally skilled workers is a lack of awareness of technologies and associated jobs. This leads to a lack of diversity and narrows the pool of potential workers. Building stronger and more inclusive foundations in science and technology will better equip workers for the modern job market. Women, older Australians and regional Australians are under-represented in digital jobs. Ensuring training and pathways into tech jobs are fit for purpose will help increase the diversity of workers coming into the sector.

The Government has already taken action to boost training opportunities. Technology and digital skills courses are a core part of the Government's Fee-Free TAFE places delivered in 2023, with more than 16,700 technology and digital enrolments in the first half of 2023. The Government is also leading the way in relation to its own workforce, by introducing the new APS Digital Traineeships Program. The Government's cyber warden program will support small businesses to train more than 50,000 in-house 'cyber wardens' to guard against threats, building small business cyber resilience through an accessible education tool.

The Australian Digital Capability Framework describes the broad digital capabilities required by the Australian workforce. This will create a common language and collaboration on the implementation of digital skills for the VET reform pathways and help build the digital capability of the nation's workforce. Using common, easily understood language, and a simple, intuitive structure, the Framework is helping to align and strengthen a wide variety of efforts to build the digital capability of the nation's workforce.

Greater collaboration across the digital skills ecosystem will be a focus of the Government's future approach. This will enable workers and businesses to harness the opportunities from the growing digital economy. The Government established a Digital and Tech Skills Working Group as a practical mechanism to take forward the compact between Government, unions and employers announced at the Jobs and Skills Summit. The Working Group's final report confirmed that earn while you learn models will be an important part of broader digital and tech skills development efforts to support Australia's rapid technological advancement. The Government is considering the Working Group's advice on design and delivery models.

iii JSA tech occupations do not include tech-related jobs which are included in the Government's commitment to 1.2 million tech-related jobs.



4 Broadening access to foundation skills

Table R.4 Actions to broaden access to foundation skills

Implemented	Underway	Future reform directions
<p>Made child care cheaper and invested in better outcomes</p> <ul style="list-style-type: none"> Invested \$4.6 billion through the Cheaper Child Care Package to increase Child Care Subsidy rates for families earning up to \$530,000 per annum Introduced a base entitlement to 36 hours of Child Care Subsidy per fortnight for Aboriginal and Torres Strait Islander children Developed the Early Childhood Care and Development Policy Partnership to improve outcomes for First Nations children <p>Increased support for students and the teacher workforce</p> <ul style="list-style-type: none"> Expanded the High Achieving Teachers Program Reformed NAPLAN to raise the standard and better identify students who need additional support Launched the National Teacher Workforce Action Plan 	<p>Making early childhood education and care cheaper, better and more accessible</p> <ul style="list-style-type: none"> Examining child care costs through ACCC inquiry Identifying opportunities to improve the early childhood education and care sector through a Productivity Commission inquiry Developing an Early Years Strategy to support early learning, wellbeing and development <p>Building a better, fairer school system</p> <ul style="list-style-type: none"> Undertaking an Expert Panel Review to Inform a Better and Fairer Education System Encouraging high-quality candidates to study teaching through scholarships of up to \$40,000 each <p>Boosting adult foundation skills</p> <ul style="list-style-type: none"> Undertaking a National Study of Adult Literacy, Numeracy and Digital Skills Redesigning and broadening eligibility for the Skills for Education and Employment program Including foundation skills as a focus area for National Skills Agreement negotiations 	<p>Chart a course to universal early childhood education and care</p> <ul style="list-style-type: none"> New principles in this Roadmap will guide reforms for establishing universal access to early childhood education and care <p>Improve equity of school outcomes</p> <ul style="list-style-type: none"> Negotiate new National School Reform Agreement to improve equity and student outcomes Work with states and territories to have every school on a path to 100 per cent of its fair funding level <p>Improve access to foundation skills training programs</p> <ul style="list-style-type: none"> Better integrate foundation skills with employment services to help job seekers get the skills they need to improve economic participation outcomes and overcome disadvantage Establish new coordinated efforts to lift the foundation skills of Australian adults with states and territories

The Government’s aim is to ensure all Australians have the foundation skills they need to participate fully in the labour market and in their community, undertaking activities that many people take for granted. Foundation skills enable participation, build an adaptable workforce, and form the basis for developing specialised skills that make us more productive and engaged. These skills include language, literacy, numeracy, and digital literacy as well as employability skills such as critical thinking, organising, problem solving, creativity, communication and teamwork. Education plays a key role in developing these skills. Through investments in early childhood education and care (ECEC), school and foundation skills programs, we will deliver foundation skills and education to Australians.

More attention on foundation skills development is urgently needed. One in five adult Australians have low literacy skills, numeracy skills or both. NAPLAN testing has shown educational gaps that start early tend to persist or even get worse. These gaps are more difficult to address later in life. Adults who have fallen behind need more support to build their foundation skills. Without action, too many Australians will be left without the skills they need to participate in the future labour market.



The Government's intent is for all Australians to be equipped with adequate foundation skills. This means increasing access to quality ECEC and a renewed focus on improving the quality of student learning outcomes and attainment, including year 12 or equivalent completions. The Government intends to better incorporate foundation skills training within our employment services system, continuing our commitment to ensuring there is 'no wrong door' for foundation skills training.

The Government has made child care more affordable for around 1.2 million families from July 2023. This will allow more children to benefit from quality child care, more parents and unpaid carers to participate in paid work and ease some of the cost-of-living pressures families are facing. The Government has also invested in attracting more and better-prepared teachers to our schools. These are the first steps in making sure our children have strong foundation skills.

Work underway includes major inquiries by the ACCC and PC to explore options for significant reform of the ECEC sector. Work is also underway to develop a new Early Years Strategy. The Review to Inform a Better and Fairer Education System will report on the targets and reforms in the next National School Reform Agreement (NSRA) to drive improvements and support better outcomes for all students. In addition, the Government has been working with states and territories on a new National Skills Agreement with a specific focus on foundation skills.

Going forward, the Government's goal is for people to have access to foundation skills development throughout their lives. The reform pathway seeks to embed foundation skills development within our education system – ECEC and schools through to adult learning – and within the employment services network.

Charting a course to universal early childhood education and care

Expanding access to ECEC is critical to our labour market policy objectives. Quality care and education for children in their early years sets them up for later life achievement and provides a strong basis for learning foundation skills necessary to engage in their community and gain employment. In particular, preschool has been found to support children's cognitive and social development. Expanding access to ECEC supports parents to make the best choices for their families and enables their participation in the labour force.

Expanding access to ECEC is complex. There is a clear need to improve access, particularly for children from disadvantaged backgrounds who stand to benefit the most. Ensuring care is of high quality is also necessary if we are to achieve good outcomes for children. Growing supply in this sector while maintaining quality care environments that nurture children will require a skilled and sustainable workforce that is valued and respected.

The Government has already increased assistance with ECEC fees through changes to the Child Care Subsidy, which has delivered cheaper child care from July 2023. This reform is intended to deliver more affordable ECEC and support parents' workforce participation. In addition, the Government has introduced a base entitlement to 36 hours per fortnight of subsidised care for families with Aboriginal and Torres Strait Islander children, regardless of activity hours or income level. The Government is also working in partnership with First Nations representatives and state and territory governments through the Closing the Gap Early Childhood Care and Development Policy Partnership to guide further reforms to improve access to high-quality and culturally safe ECEC for First Nations children and families.

The Government is building the evidence base on how to achieve its vision for universal ECEC. Through a comprehensive inquiry into Australia's ECEC system, the PC will make recommendations to support affordable, accessible, equitable and high-quality ECEC that reduces barriers to workforce participation



and supports children's learning and development. The Government has also commissioned the ACCC to conduct an inquiry into the market for the supply of child care services. The ACCC inquiry will examine how ECEC costs and prices differ by geographic location, service size, type of operator, and care types.

The Government will use these reviews to underpin policy reforms to deliver high-quality, equitable, affordable, accessible ECEC. The Government's approach to the provision of ECEC is captured in the reform principles on charting a course for universal ECEC (Box R.3) in a fiscally responsible and sustainable manner.

The purpose of these principles is to support the delivery of two benefits. The first is to reduce barriers to work faced by many families. Access to affordable ECEC is vital for supporting labour market participation and ensuring Australians can make the best choices for their families without being unduly influenced by their ability to find care. High-quality ECEC is also part of the Government's broader approach to lifting human capital. A good start in life supports attainment through school and sets up children to succeed. Investment in ECEC is a recognition that building our future labour force starts early in life, with strong foundations.

Box R.3 Universal access to early childhood education and care

The Government is committed to charting the course for universal access to ECEC in Australia that is high-quality, equitable, affordable and accessible in a fiscally responsible and sustainable manner. The education journey starts early. Brain development occurs most quickly in the first 5 years of life, making these years the best opportunity for children to get a positive start. ECEC helps children develop cognitive function, social skills, and emotional health that are fundamental to lifelong learning and achievement throughout life. It also boosts parent and carer engagement in education, training and the workforce, particularly for women.

ECEC, which includes preschool, long day care, family day care and out of school hours care, has significant benefits to child learning and development, helping to break cycles of disadvantage, and providing a foundation for our children's future well-being and success.

An accessible, affordable ECEC system is also a key enabler of workforce participation, especially for women. Barriers to workforce participation are more pronounced for women, who are overrepresented in part-time and casual employment, and twice as likely as men to be working part-time or casually from age 35. Supporting families to access ECEC is integral to Australia's economic prosperity as a powerful lever for increasing workforce participation.

High-quality ECEC requires that services are delivered by a qualified workforce, are culturally inclusive and responsive, and meet standards in providing learning and development outcomes for children to ensure that they are engaged as lifelong learners. A sustainable ECEC workforce who are valued and respected as will be central to maintaining quality ECEC.

An accessible and affordable ECEC system would ensure all families can reasonably access ECEC services regardless of geographical and cultural barriers; and services are flexible enough to meet the differing needs of children, families and communities, including culturally appropriate ECEC for First Nations families. Equitable ECEC will help make sure children have the same opportunity to benefit from ECEC services, regardless of their circumstances or background.

A strong ECEC system which meets these objectives of affordable, accessible, equitable and high quality will deliver outcomes now, and into the future, for Australia's children and their families.



Improving equity of school outcomes

Education is helping all children reach their potential. But while Australia's education system performs well for many students, that is not the case for all. Education outcomes need to be improved across the board, but especially for students in disadvantaged cohorts, including students with disability, who are at higher risk of falling behind.

School outcomes are often strongly linked to socio-economic status – decoupling these links is a critical step in lifting learning and attainment outcomes. Supporting teachers to be effective, supporting the wellbeing that enables students to learn, and evidence-based resources are also essential to achieving these objectives. Seeking to lift education opportunities and achievement for all children and young people is at the core of our plan to lift productivity growth by raising human capital levels across the future workforce.

Supporting teachers to be effective is a precondition to improving student outcomes. The Government is addressing teacher workforce shortages through the National Teacher Workforce Action Plan. This includes investments in additional university places, employment-based pathways and scholarships, and a strong focus on improving the status of the profession. The next NSRA provides a significant opportunity to tie funding to reforms needed to lift student outcomes. Building on efforts to date, the Government will look to drive increased transparency and accountability in school systems to improve the community's visibility of the links between expenditure and educational outcomes and their ability to identify and address areas for improvement. A new NSRA that better targets funding at children most in need will significantly improve equity in educational outcomes and ensure fair opportunities for all children.

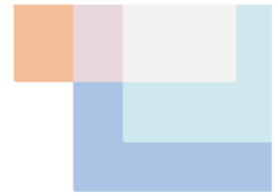
With this in mind, the next NSRA could establish new targets and specific reforms, focused on students who have fallen behind or are at risk of falling behind, underpinned by increased transparency and accountability to support success. The final report of the Review to Inform a Better and Fairer Education System will be provided to Education Ministers by the end of October 2023 and will guide future reform in schools. The development of the next NSRA will reflect the Government's commitment to working with states and territories to have every school on a path to 100 per cent of its fair funding level and lift attainment outcomes for all students, especially those from priority equity cohorts.

Education is central to supporting people to reach their full potential. Going forward, improving the outcomes for all students, regardless of background, will remain a core focus of the Government. Lifting attainment among those Australians who fall behind is one of the biggest opportunities to improve long-term labour market productivity, economic activity and standards of living.

Improving access to foundation skills training programs

Strengthening foundation skills at any stage in life can deliver great benefits to individuals and communities. Improving access to foundation skills for adults will allow them to pursue further learning, boost their employment prospects and participate more fully in the community. Expanding access to all adults, including those experiencing shifts in their industry or job, will help facilitate structural change in the economy while lifting the level of human capital in the workforce.

The Government will deliver stronger and more inclusive foundation skills training through the redesign of the Skills for Education and Employment (SEE) program. Previously, the SEE program was accessible only to registered job seekers, leaving out a large portion of society. From July 2024, the redesigned program will provide more pathways and improve access to foundation skills training for



around 27,000 Australians aged over 15 years and who have left school. Delivery will be through a mix of national and local solutions to broaden access and include specific place-based First Nations-led support for First Nations people. The program will also support projects within workplaces for workers who face insecure work challenges as a result of low foundation skills.

To inform future reform directions, JSA is completing a national Foundation Skills Study. The study will provide up-to-date evidence on the level of foundation skills among Australian adults. It will provide a critical evidence base on the state of foundation skills in Australia and inform how governments can better target support for foundation skill development in adults. This is an example of how the Government intends to use new insights generated by JSA to guide policy.

Delivering robust foundation skills for more Australians requires collaboration between all levels of government and better data to inform policy decisions. The new National Skills Agreement currently being negotiated with states and territories will recognise that increasing access and removing barriers to foundation skills programs is a shared priority of governments and will complement the work to redesign the SEE program. Building on the new Agreement and the JSA Foundation Skills Study, the Government will shape national coordination of practical policies to lift foundation skill levels for adult Australians. This is part of the Government's broader approach to lifting human capital across the workforce, starting in the compulsory education system and continuing throughout people's lives.

All workers should be able to develop through lifelong learning – future reforms will be targeted at improving core foundation skills for all Australians, including through employment services reform to better integrate foundation skills training. Through stronger foundation skills, we will be in a better position to upskill workers in the face of major shifts in the economy, improve labour market dynamism and contribute to productivity growth.



5 Investing in skills, tertiary education and lifelong learning

Table R.5 Actions to invest in skills, tertiary education and lifelong learning

Implemented	Underway	Future reform directions
<p>Broadened opportunities for people to study in areas of skills shortage</p> <ul style="list-style-type: none"> Expanded the Australian Apprenticeships Priority List Delivered around 215,000 Fee-Free TAFE enrolments with the states and territories in areas of skills shortage <p>Implemented targeted action within the tertiary education sector on priority areas</p> <ul style="list-style-type: none"> Established the TAFE Technology Fund to help TAFEs upgrade and expand their facilities Launched New Energy Apprenticeships and the New Energy Skills Program to support workers in new energy industries Established Startup Year to support students' participation in startup courses <p>Developed partnerships with industry</p> <ul style="list-style-type: none"> Supported the new Digital and Tech Skills Compact to grow the tech sector Extended the Women in STEM Cadetships and Advanced Apprenticeships program to give women more opportunities to work in STEM careers 	<p>Growing and strengthening Australia's vocational education sector</p> <ul style="list-style-type: none"> Investing an additional \$3.7 billion in a new National Skills Agreement with states and territories Delivering a further 300,000 Fee-Free TAFE places in areas of skills shortage from 2024 Building diversity in apprenticeships and driving completions, including through a new Australian Apprentices Support Services model Undertaking a VET Workforce Blueprint Turbocharging TAFE Centres of Excellence to fast track their establishment Introducing 'higher apprenticeships' to deliver advanced tertiary skills responsive to industry needs <p>Improving outcomes and broadening access to university</p> <ul style="list-style-type: none"> Developing a Universities Accord Delivering 20,000 additional university places for students from under-represented backgrounds Delivering an additional 4,000 university places in STEM courses Establishing new Regional and Suburban University Study Hubs Ceasing the 50 per cent pass rule Introducing demand driven university places for all First Nations students <p>Improving skills recognition</p> <ul style="list-style-type: none"> Defining the scope, outcomes and benefits of a National Skills Passport in consultation with industry, unions, tertiary institutions and across government to help people more easily demonstrate their skills to employers and reduce barriers to lifelong learning 	<p>Promote a larger share of Australians studying in areas of high skills need</p> <ul style="list-style-type: none"> Leverage Jobs and Skills Australia to forecast skills needs and guide a responsive tertiary sector to respond to changing demands Promote greater participation in tertiary education of under-represented groups, including regional students <p>Boost collaboration in the tertiary sector</p> <ul style="list-style-type: none"> Develop collaborative institutions including TAFE Centres of Excellence, with focuses on priority areas Develop new innovative qualifications, which combine the best of the tertiary education system, like higher apprenticeships <p>Remove barriers to lifelong learning</p> <ul style="list-style-type: none"> Encourage ongoing learning in the workplace Support people to better demonstrate their skills to employers



A high performing tertiary education system, working in a more collaborative and joined-up way, will help the labour market respond to the forces shaping our economy. Australia's labour force will shift towards jobs that require greater levels of skills and knowledge, requiring our tertiary education system to grow. Investment in tertiary education will deliver greater opportunities for workers to undertake education and training throughout their lives. By expanding opportunity and facilitating growth in priority industries, the education and training systems can promote productivity and wage growth and support the achievement of full employment.

The vocational education and training (VET) sector is not perceived as having the same status as higher education, skewing flows into each system. Completion rates for apprenticeships, especially for priority cohorts, are low. There needs to be a more student-centred approach to delivering tertiary education and increased collaboration with industry to ensure there are clear pathways into growing sectors and secure work.

The Government is already addressing these issues by taking a comprehensive approach to tertiary education. We want more people to be studying in areas that provide them with opportunities, so they are best positioned to participate in the labour market. We also want to increase collaboration across the tertiary system, particularly in priority areas and we are working to remove barriers so people are encouraged to continue learning throughout the course of their lives.

Work is already underway to elevate the status of VET and improve the quality of and access to education and training. The Government is delivering Fee-Free TAFE, implementing the Australian Skills Guarantee and negotiating a new five-year National Skills Agreement with the states and territories to address national priorities. Work is also underway to drive greater collaboration between the tertiary sector and industry through the Digital and Tech Skills Compact. The Australian Universities Accord will inform how to better join-up the tertiary sector so it works more cohesively. It will consider the intent of recommendations from the 2019 review of the Australian Qualifications Framework and opportunities to work with education providers, unions and employers to best position the higher education and VET sectors to design innovative, fit-for-purpose qualifications which recognise skills alongside knowledge.

Going forward, more needs to be done to increase the number of Australians studying in areas of high skills need. Better collaboration between all governments, the tertiary sector and industry is needed to manage the forces shaping the economy over the coming years.

Promoting a larger share of Australians studying in areas of high skills need

Tertiary education will need to keep pace with Australia's changing industry composition and the evolving mix of skills required by business. Students need to be informed to better align their interests with strong employment prospects. We need to increase the number of Australians with a tertiary qualification, particularly in the areas that best position them to take advantage of future opportunities. A significant portion of growth in tertiary attainment will need to come from cohorts currently under-represented in tertiary education. Achieving this will require coordinated efforts to address barriers to access and course completion in the tertiary system.

To support these goals, the Government committed to 480,000 Fee-Free TAFE places, with 180,000 to be delivered in 2023 and a further 300,000 to be delivered from 2024. The Government also committed to an additional 20,000 Commonwealth supported places at universities. Both initiatives are targeted in areas of national priority and seek to engage priority groups such as Aboriginal and Torres Strait Islander



Australians and people with disability. In the first six months of Fee-Free TAFE delivery, almost 215,000 Australians enrolled in a Fee-Free course, surpassing the target of 180,000 places. This includes over 51,000 care and support sector enrolments and over 16,700 technology and digital enrolments. Women make up around 60 per cent of these Fee-Free enrolments, and over 50,000 job seekers, more than 15,000 people with disability and more than 6,800 First Nations people have also enrolled in Fee-Free TAFE. The Government is also acting on the five immediate priority actions identified in the Accord Interim Report, which focus on improving access to and experience at university for students from under-represented backgrounds. These include establishing more Regional University Study Hubs and new Suburban University Study hubs and extending demand-driven funding to all First Nations students.

The analysis produced by Jobs and Skills Australia (JSA) will help inform students of the potential labour market outcomes of their qualification choices. To support this, negotiations on the new National Skills Agreement will embed joint stewardship of the VET sector, including collaboration between the Commonwealth and the states and territories to identify areas of national priority and ensure delivery of high-quality, relevant training to students.

In the future, effective student support services and outcomes monitoring are required to ensure we make progress on improving access to and outcomes from tertiary education. Whole-of-tertiary attainment targets are potential avenues to track progress towards lifting post-school educational attainment. A particular focus on apprenticeship completions is needed to ensure we can address longstanding skills shortages in trade occupations. The new Australian Apprentices Support Services model, which will commence in July 2024, will complement the new National Skills Agreement by ensuring more apprentices in priority cohorts have access to specialised mentoring and support.

Better alignment between industry and the tertiary sector is essential if students are to study in the areas of need. Future reforms will be driven by collaboration between stakeholders. The new Jobs and Skills Councils (JSCs) will work with JSA to align effort across industry to improve education and training responsiveness, while the Australian Universities Accord process is a model for a collaborative approach to improving the higher education sector. The principle of working with stakeholders to ensure the tertiary sector is responsive to industry needs is at the centre of ensuring students study in areas with strong future prospects.

Boosting collaboration in the tertiary sector

Strong education and training systems that meet the skills needs of all Australians will need more collaboration between tertiary sectors and industry. This includes collaboration that results in greater innovation in course delivery and in developing new qualifications. Currently, significant barriers such as inconsistent funding arrangements, different regulatory systems, and limited credit transfer, prevent different providers from collaborating with each other and with industry.

The Government has committed to partnering with the states and territories to establish TAFE Centres of Excellence as a flagship model under the new National Skills Agreement. Building on this momentum, the Government is providing additional funding to fast track the establishment of up to six TAFE Centres of Excellence. TAFE is at the heart of VET and will play an important leadership role in reforms to boost collaboration within the tertiary sector and with industry to address some of the critical challenges facing the economy. TAFE Centres of Excellence will enrich students' learning experience through applied research and work directly with industry to respond to immediate and future demand. These new TAFE Centres of Excellence add to a rich and growing ecosystem of innovative tertiary models in Australia – building a strong institutional platform to support the future labour market.



By accelerating the establishment of TAFE Centres of Excellence, the Government will facilitate new innovative models of tertiary collaboration. Employers and workers are demanding a more responsive approach to skills acquisition, with many noting the need for workforce skills to be at increasingly higher levels. Examples of innovative models of teaching and learning are already emerging across the country (discussed in Chapter 5). Universities, TAFEs, JSCs and industry are working together to develop in demand skills, co-design new qualifications, including microcredentials, and address key challenges in the economy. The Government's additional investment into TAFE Centres of Excellence will expedite work to marshal the efforts of industry, universities, and governments to address challenges in the key areas of the net zero, digital transformation, and care and support.

The Government will also collaborate to explore opportunities for new higher apprenticeships. TAFE Centres of Excellence will be instrumental in facilitating this. Higher apprenticeships will combine structured on the job training via apprenticeships with degree-level study and allow students to develop advanced skills in areas such as net zero, care and support, and digital, not offered under existing models. These pathways will also allow learning to be contextualised through on-the-job training so the skills learned are tailored to meet industry needs. Local universities will be key partners with TAFEs to rapidly develop and expand delivery of high-quality courses in these sectors, alongside industry, other VET providers, JSCs and state and territory governments. A future expanded higher education and VET system, adept at providing widely accessible core and higher skills, is at the heart of a responsive tertiary system – one where there is greater achievement by key equity groups, high standards of teaching, and an adaptive training and education curriculum that evolves with the labour market and shifts in the economy.

Removing barriers to lifelong learning

A key role of government in facilitating greater upskilling and reskilling over a person's lifetime is removing barriers, and promoting access, to lifelong learning. The current education and training systems emphasise initial formal education. However, as the nature of work changes more rapidly, people will need to upskill and reskill throughout their lives.

The Government is promoting lifelong learning by helping to build up the microcredentials ecosystem. Microcredentials are short, stackable qualifications that workers can undertake to build their skills portfolio. Uncertainty around the recognition of microcredentials can make it difficult for individuals to demonstrate the skills they have gained to employers, and hard for both parties to verify their quality.

The Government is consulting with industry and across government to define the scope, outcomes and benefits of a National Skills Passport, to reduce barriers to lifelong learning. Stakeholders have long called for the creation of a tool to help Australians demonstrate their qualifications to prospective employers. A skills passport could combine a person's qualifications across VET and higher education to more effectively demonstrate their skills to employers.

The scoping of a National Skills Passport is illustrative of the Government's future focus on encouraging lifelong learning. The Government's approach is to encourage a joined up tertiary system linked to what businesses are looking for, to promote ongoing learning in the workplace. Employers need to be part of this future direction through supporting employees to upskill and access relevant courses. Lifelong learning initiatives are part of a broader suite of measures the Government is taking to smooth the pathway into work, such as cheaper child care, helping people stay in work and aiding continual development across their careers.



6 Reforming the migration system

Table R.6 Actions to reform the migration system

Implemented	Underway	Future reform directions
<p>Taken action to address backlogs and restore integrity to the visa system</p> <ul style="list-style-type: none"> Accelerated visa processing and reduced visa backlog Provided more funding to Australian Border Force to address exploitation Raised the Temporary Skilled Migration Income Threshold Ended pandemic event measures Completed the Rapid Review into the Exploitation of Australia’s Visa System <p>Taken action to address skills shortages</p> <ul style="list-style-type: none"> Extended post-study work rights for students in areas of labour shortage Increased the permanent migration planning level in 2022–23, including tripling the places for regional Australia <p>Put permanency back at the heart of the migration system</p> <ul style="list-style-type: none"> Provided a pathway to permanent residency for all temporary skilled visa holders Introduced a direct pathway to citizenship for eligible New Zealanders 	<p>Creating a Migration Strategy for a more prosperous and secure Australia</p> <ul style="list-style-type: none"> Responding to the 2023 Review of the Migration System with new vision, objectives and roadmap Strengthening integrity in international education Improving recognition of priority qualifications, including by responding to the Independent Review of Health Practitioner Regulatory Settings <p>Taking further measures to combat worker exploitation</p> <ul style="list-style-type: none"> Introducing criminal penalties for exploitation Consulting with business, unions and civil society on whistleblower protections for temporary visa holders Designing the firewall between the Fair Work Ombudsman and the Department of Home Affairs 	<p>Better target skilled migration</p> <ul style="list-style-type: none"> Deliver a new temporary skilled migration system that is effective at targeting Australia’s evolving skills needs Develop an improved occupation list in partnership with Jobs and Skills Australia Introduce new permanent skilled visa settings, including exploring a revised points test <p>Realise migrants’ employment potential</p> <ul style="list-style-type: none"> Take further action to combat migrant worker exploitation Improve skills assessments <p>Improve employment outcomes for international students</p> <ul style="list-style-type: none"> Improve pathways to work in higher skilled roles <p><i>Further reforms will be outlined in the Migration Strategy</i></p>

Working alongside our high-quality education and training sector, effective migration settings have the power to address skills shortages and boost productivity, while providing fair access to labour markets for migrant and local workers. To harness these benefits, the Government is focused on aligning migration settings with Australia’s skills needs, and ensuring migrants are supported to work to their capacity and provided with the mobility to move across the workforce into roles that suit their skills.

The Review of the Migration System Final Report found that Australia’s migration program is not fit-for-purpose. Australia can do more to attract the most highly skilled migrants and support businesses to access these skilled workers. Moreover, evidence has emerged of exploitation of migrants, driven by a focus on ‘temporariness’ over clear pathways to permanency and visa settings that tie migrant workers to their employer.

To realign the migration system with Australia’s labour market priorities, we are undertaking significant reform and refocusing of the system. To date, the Government has focused on strengthening integrity and strong management of the migration system. This includes significantly reducing the visa backlog



and streamlining visa processing, ending pandemic concessions and increasing the Temporary Skilled Migration Income Threshold (TSMIT) from \$53,900 to \$70,000, as well as other complementary measures.

The Government will continue to build on these actions and shift to more structural reform through its new Migration Strategy, which will be based around five key objectives:

- *Raising living standards for Australians* by boosting productivity, meeting skills shortages and supporting exports
- *Ensuring a fair go in the workplace* by complementing the jobs, wages and conditions of all workers and preventing migrant worker exploitation
- *Building stronger Australian communities* by better planning the migration intake and giving migrants the opportunity to invest in their lives in Australia through permanent residence and citizenship
- *Strengthening international relationships* by building stronger economic and social connections with our region and international partners
- *Making the system work* by being fast, efficient and fair for migrants and employers.

Better targeting skilled migration

Skilled migration can play a critical role in addressing skill and labour shortages so long as it is not used as a substitute for training Australians. Migrants with specialist skills, such as wind turbine engineers, bring with them critical expertise and global knowledge that will help us to meet future challenges. Specific areas of our economy facing acute shortages, such as the care economy and agricultural sector, also benefit from migrants working in these areas. More generally, high-skilled migrants can complement Australia's education and training system to meet our skills needs. When designed well, skilled migration will lead to productivity gains for firms, increased knowledge transfer to Australian workers and address key workforce shortages.

The new Migration Strategy will outline Australia's new temporary skilled migration system, to ensure Australia has the skills needed to drive future economic prosperity and security. The new approach will define three clear pathways for temporary skilled workers:

- a fast, simple pathway for specialised, highly skilled workers to drive innovation in our economy and build the jobs of the future
- a mainstream temporary skilled pathway to bring in core skills, using an improved approach to determining skills needs, informed by advice from Jobs and Skills Australia (JSA)
- further consideration of a regulated pathway for workers with essential skills, such as in sectors in the care and support economy.

This flexible, responsive and innovative model is at the heart of our future strategy for better targeting skilled migrants. It will be supported by reforms to those visa settings that currently contribute to a minority of employers exploiting migrant workers, including by increasing mobility for migrant workers and restoring permanency to the heart of the skilled migration system.

The Migration Strategy will also outline areas for further work on how we select permanent residents, including exploring reforms to the points test to better select for migrants who will best drive Australia's long-term prosperity. The Government is progressing this as a priority, and will take the time to get settings right, including through building in a greater role for JSA.



Realising migrants' employment potential

Even for migrants employed in Australia, we do not always realise their full potential. Too often migrants work below their skill level or the system takes too long to allow them to work in areas of need. A lack of permanent residency and work experience is reported by students as among the main reasons they do not work in a job that fully utilises their skills and education. Migrants are also too often subject to exploitation and unfair work conditions – with some estimates that up to 16 per cent of recently arrived migrants are paid less than the minimum wage.⁴ Realising the employment potential of migrants by addressing these issues will allow us to achieve better skills matching, higher productivity, lower rates of exploitation, and a higher performing labour market better able to adapt to major shifts in the economy.

The Government has already acted by commissioning the Rapid Review into the Exploitation of Australia's Visa System and taking action to address the exploitation of migrants. We will expand the time temporary migrants have to find a job and have already provided additional funding for compliance measures. The Government is committed to supporting migrants who are exploited to speak out. To this end, we will consult with business, unions and civil society to develop pilot initiatives to enhance safeguards and protections for migrant workers, including design of the firewall between the Fair Work Ombudsman and the Department of Home Affairs.

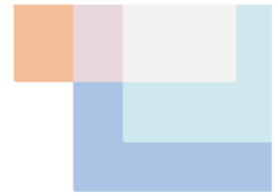
The Migration Strategy will progress this further and identify additional protections and further areas of work that will help design out migrant worker exploitation from visa settings in the migration system, including new measures to protect the integrity of our international education system.

Realising the potential of migrants also requires concerted efforts to help migrants work at their skill level, including reforms to skills assessments that will help recognise the existing skills of migrant workers. The Migration Strategy will outline how the Government intends to improve the skills assessment process through enhanced assurance, standards and reporting. This will complement the Discussion Paper released in September 2023 by the Minister for Skills and Training, which seeks feedback from stakeholders on the new standards for skilled migration assessing authorities. This will be particularly important for migrant health workers, who are vital contributors to the workforce.

We also intend to work with states and territories to ensure migrants are able to work where they are most needed. It is particularly important to ensure that health professionals – who are essential for our large and growing care workforce – are able to migrate to Australia. Additionally, JSA will help states and territories select the migrants they need most and identify where migrants can better achieve their employment potential in the labour market. In the future we will continue to take a collaborative, systems-focused approach to making sure we help all migrants who come to Australia realise their employment potential.

Improving employment outcomes for international students

Australia plays a critical role in training the next generation of global talent. However, the current system does not best equip international students and graduates to meet Australia's skills needs. More than 50 per cent of international student graduates end up in jobs at the lowest two skill levels despite being qualified for the top level, compared to 20–30 per cent for domestic students. Ineffective graduate visa pathways, a lack of work experience and lower English language proficiency than required for other skilled visas and in some other comparable countries all contribute to this. There is an opportunity to reform migration settings to better support international students to reach their



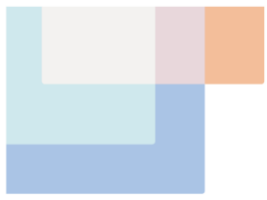
potential in the labour market. This includes making sure they have the right training and support to find employment and can follow efficient pathways into in-demand areas.

The Government has already taken action to retain international students with in-demand skills. We have extended post-study work rights for international students working in priority areas, such as in health, teaching and agricultural fields.

The Migration Strategy will outline measures that will support international students in their transition to skilled work. Employers have little confidence that international students will have access to a graduate visa with work rights at the end of their study, because student visa holders can only apply for a graduate visa after they have graduated, and processing times are long. The Migration Strategy will look to develop a more streamlined visa application process to speed up the transition from study to skilled work. The Government will also look to commence work with JSA to better understand the barriers international students face in the labour market and will consider how to support international students to access work-integrated learning opportunities. Improvement in these areas should help resolve skills mismatches that are particularly apparent for some students who have occupation specific skills, such as engineers.

We can also do more to make sure graduate visa settings do not just leave students 'permanently temporary'. The Government will ensure that those students with the right skills, targeted to our labour market needs, transition into work after study in Australia. Better connection between work visas and a student's course of study is a promising avenue for improving student labour market outcomes and is one area where JSA can help link education provision with the migration system and the labour market.

The Government is focused on strengthening integrity in international education, closing loopholes and supporting genuine international students. A first package of integrity measures was announced in August 2023 and further integrity measures will be announced in the Migration Strategy. These measures will also have positive labour market outcomes as they focus on ensuring international students use students visas for study, rather than primarily for work.



7 Building capabilities through employment services

Table R.7 Actions to build capabilities through employment services

Implemented	Underway	Future reform directions
<p>Immediate improvements to employment services programs</p> <ul style="list-style-type: none"> Suspended compulsory participation in ParentsNext Launched Veteran Employment Program to support transitions into the civilian workforce Better-embedded employment in National Disability Insurance Scheme plans Extended the Time to Work Employment Service, assisting First Nations people in prison to access the support to find work post-release Launched the Indigenous Skills and Employment Program, connecting First Nations people with jobs, training, and career advancement opportunities 	<p>Consulting on and co-designing reforms to employment services programs</p> <ul style="list-style-type: none"> Conducting a first-principles review of Workforce Australia Developing a new remote jobs program in consultation with First Nations people and remote communities, including undertaking a trial that is creating up to 200 jobs in remote areas Designing a new program to replace ParentsNext in consultation with parents and stakeholders Reforming the Local Jobs Program to align with best practices in place-based policy design, and expanding eligibility for projects to more people seeking work 	<p>Reform employment services</p> <ul style="list-style-type: none"> Establish clear processes to reform employment services guided by new principles in this Roadmap <p>Engage with local labour markets</p> <ul style="list-style-type: none"> Apply place-based policy design best practices to employment services programs <p>Evaluate and learn in employment services</p> <ul style="list-style-type: none"> Embed evaluation into policy reform processes, and the design of ongoing programs

A quality employment services system can deliver social and economic benefits by building more efficient, inclusive labour markets. An effective employment services system strengthens growth and productivity through lifting participation, skills, and facilitating high-quality job matches between people seeking work and employers seeking workers. It can smooth the effects of labour market disruptions, such as industry change and retrenchment, and provide supported pathways to employment for people facing barriers to work, earning and social participation. For employers, a quality employment services system can connect them to a broader pool of applicants and, through collaboration, enables them to use a range of training and support services that help them to meet recruitment needs.

The Australian Government delivers a suite of employment programs including Workforce Australia, the Community Development Program and Disability Employment Services, as well as complementary programs such as the Local Jobs Program. Chapter 6 identifies that the current employment services system does not meet the needs of the most disadvantaged job seekers, nor meet the needs of employers seeking to fill workforce shortages. Poorly tailored obligations can have negative effects.

To better support people facing barriers to work and to help address skills shortages, employment services will build people’s capability and stronger, more inclusive labour markets.

The Government has taken steps to improve pre-employment and employment programs. After suspending compliance arrangements in ParentsNext, the Government has committed to introducing a new voluntary, co-designed replacement program that better supports parents. The Veteran Employment Program has been launched to support veterans to transition into the civilian workforce. The Indigenous Skills and Employment Program (ISEP) is supporting local organisations to design place-based solutions for Aboriginal and Torres Strait Islander job seekers in partnership with



communities. The Government is also working with First Nations stakeholders and remote communities to replace the Community Development Program with a new remote jobs program with real jobs, proper wages and decent conditions.

The Government has established processes to strengthen Australian Government employment services. A House of Representatives Select Committee is undertaking a first-principles review of Workforce Australia, examining the design, implementation and performance of the new system. The Committee will make recommendations on future reforms with its final report due in November 2023. Disability Employment Services are being redesigned in consultation with stakeholders, with a new model that can better support people with disability, starting in July 2025.

Supporting these developments, the Government is committed to reforming the employment services system in line with the eight key reform principles outlined below. The Government will develop detailed reforms after it considers the Select Committee's report.

Reforming employment services

It is time to rethink employment services as part of our vision for a stronger and more inclusive economy. The Government has established eight key principles (Box R.4) to guide reforms of Disability Employment Services, the Community Development Program and Workforce Australia, including the Government's response to the Select Committee's recommendations.

These principles set the direction for how the Government will support people seeking jobs, and businesses finding workers. The relationship will be based on protecting people's dignity and individual rights, and helping people achieve their individual employment goals and aspirations. The system will invest in people's potential, building their human capital and connecting with broader social services to help them overcome barriers to participation and build pathways to decent jobs.

The employment services reform principles will guide future improvements to the system for businesses and regions, ensuring it is used by more employers and industries seeking suitable workers. In remote regions with very thin labour markets, the Government may need to promote job creation to help give local opportunities to people seeking work. The Government will seek to build a more active stewardship role for the Australian Public Service, combined with a vibrant diversity of providers, including a greater role for Aboriginal and Torres Strait Islander community-controlled organisations.



Box R.4 Our plan for employment services – eight principles for reform

- 1 Services are viewed as an investment that unlock individual potential, address employer needs and work with industry to bolster growth.
 - a) the system builds human capital and ensures job placements are appropriate
 - b) services help businesses and communities to grow by connecting people to jobs.
- 2 There is strong Australian Public Service stewardship in the system and the outcomes it delivers to ensure that individuals are not left behind.
- 3 Services protect the dignity and respect rights of individuals.
 - a) services help individuals meet their employment and personal development goals
 - b) services are designed and delivered in a culturally responsive and inclusive way that meets communities' needs.
- 4 Services provide a pathway towards decent jobs that provide the flexibility and security that individuals need.
 - a) the Government may need to promote the creation of jobs to alleviate entrenched community disadvantage where labour markets are very thin and where individuals face very high barriers to work.
- 5 Employers use employment services to help meet their workforce needs, and can access guidance on innovative job design, recruitment practices and inclusive approaches to workforce development.
- 6 Employment services are designed through collaboration with individuals, employers and the community.
 - a) the participation of Aboriginal and Torres Strait Islander Community Controlled Organisations, and community-based organisations, is boosted in the delivery of employment services.
- 7 Services help people at the earliest opportunity, informed by fit-for-purpose assessment processes.
- 8 Reforms are grounded in evidence, high quality evaluation and continuous learning and improvement.

Evaluating and learning in employment services

One component of the principles for employment services reform is rigorous policy evaluation which is essential to effective public policymaking. Evaluation can help improve the design and implementation of policies and programs. It is especially important in policy areas like employment services where the effectiveness of these services can be critical in achieving inclusive full employment. This can in turn lead to better outcomes for Australians and contribute to better public accountability, learning, and increased public sector effectiveness through improved decision-making.

As Principle Eight suggests, employment services system design should be based on clear evidence – both domestic and international – and be open to continuous learning and improvement. To support the Government's new direction in employment services, we are committed to building the evidence base, including using evaluations and other strategies. Evaluations can reveal how policies affect different groups in different ways. These insights can be used to design and adapt programs to ensure they work for diverse experiences.



Engaging with local labour markets

Employment services need to work for local communities and local labour markets. Engaging at the local level can support the effectiveness and coordination of programs. Those on the ground, and especially communities themselves, are often best placed to identify and develop targeted solutions based on their specific needs. Place-based approaches involve communities as active participants in the design of policies and programs and provide opportunities to target local labour market responses.

The Local Jobs Program helps bring a local focus to employment services. The Government is undertaking a two-stage reform process of the Local Jobs Program to better focus its policy intent and embed best practice place-based policy design principles – supporting better employment outcomes for people seeking work in local labour markets.

Initial changes to the Local Jobs Program will include: broadening eligibility for projects funded through the Local Recovery Fund to include more people, including those who are not receiving income support but need help connecting with work, strengthening governance structures to enhance community representation, strengthening APS support in Employment Facilitator services in several micro employment regions with thin labour markets, and enhancing local and regional data and information to inform decision-making processes.

The Government is also exploring options for the future design of the Local Jobs Program. The Government's reform direction will explicitly consider the scope and priorities for investment to support the smooth functioning of the labour market and the optimal geographic spread to address business capability, industry transitions and the adaptive capacity of local labour markets. Evaluation will play an important role in the program's design over time.

More broadly, employment services need to operate in collaboration with local communities (Principle Six). They should contribute to the local service infrastructure and community fabric to deliver the best possible outcomes particularly for people facing complex socio-economic disadvantage in collaboration with other services. This focus will be threaded through all programs to create opportunities that work for individuals and communities.

Replacing the Community Development Program

The Government is delivering on its election commitment to replace the Community Development Program (CDP) with a new program with real jobs, proper wages and decent conditions – developed in partnership with First Nations people and remote communities. The current program's one size fits all approach does not work across the diversity of over 1,000 remote communities.

As a first step towards a new program, in August 2022, the Minister for Indigenous Australians hosted the Remote Employment Roundtable, leading into the Jobs and Skills Summit. At the Roundtable, the Minister announced that CDP providers can re-direct around 25 per cent of their funding to work with remote communities to trial new approaches to securing real jobs for participants. The Government's trials to help inform the design of the program are underway and will continue until October 2024. The trials involve local people being paid proper wages to deliver services to their communities, such as care, hospitality, small manufacturing and retail, art and culture, municipal services, gardening, and cleaning. In addition, consultations on the new program were held in over 100 remote communities in the first half of 2023. Remote communities have been clear that they want skills to help them take up work.



8 Reducing barriers to work

Table R.8 Actions to reduce barriers to work

Implemented	Underway	Future reform directions
<p>Implemented measures to end violence against women</p> <ul style="list-style-type: none"> Committed to implementing all Respect@Work recommendations, including having legislated a positive duty for employers to prevent sexual harassment Invested \$2.3 billion in measures to end violence against women in the October and May Budgets <p>Promoted flexible and inclusive workplaces</p> <ul style="list-style-type: none"> Legislated 10 days of paid family and domestic violence leave Improved access to flexible work and unpaid parental leave through changes to the Fair Work Act <p>Strengthened working age payments</p> <ul style="list-style-type: none"> Increased the rate of working age and student payments by \$40 per fortnight Expanded eligibility for higher rate of JobSeeker Payment for recipients aged 55 and over Expanded eligibility for Parenting Payment (Single) Increased maximum rate of Commonwealth Rent Assistance <p>Acted on disincentives to work</p> <ul style="list-style-type: none"> Implemented a temporary \$4,000 work bonus upfront credit for pension recipients Improved affordability of early childhood education and care 	<p>Addressing workplace gender segregation</p> <ul style="list-style-type: none"> Encouraging shared care by increasing the Government's Paid Parental Leave, and improving flexibility in how parents share it Establishing the National Construction Industry Forum Undertaking a Pathway to Diversity in STEM Review <p>Acting on disincentives to work</p> <ul style="list-style-type: none"> Smoothing the transition between income support and work by extending the nil rate period Supporting pensioners who are working by permanently enhancing the Work Bonus for age pensioners <p>Broadening employment opportunities for people with high support needs</p> <ul style="list-style-type: none"> Leveraging the new National Disability Data Asset Implementing a new Disability Employment Services Quality Framework Establishing a Disability Employment Centre of Excellence <p>Boosting supply of secure, affordable housing</p> <ul style="list-style-type: none"> Increasing investment in social and affordable housing through the Housing Australia Future Fund, Social Housing Accelerator and National Housing Infrastructure Facility, building housing where job opportunities are Working with states and territories to deliver 1.2 million new homes over five years from 1 July 2024, and to harmonise and strengthen renters' rights 	<p>Promote gender equality</p> <ul style="list-style-type: none"> Release a National Strategy to Achieve Gender Equality, which will include a focus on women's economic equality <p>Further address disincentives to work</p> <ul style="list-style-type: none"> Better support parents with caring responsibilities through improved access to early childhood education and care Consider further ways to support participation, including for working-age payment recipients <p>Provide high-quality supports for people with disability</p> <ul style="list-style-type: none"> Reform Disability Employment Services

Opportunities in Australia are not always shared equally. The Government will support more people to work to their capacity and share in opportunities, as part of pursuing sustained and inclusive full employment. Achieving this will help address skills shortages and boost economic potential. The Government needs to get policy settings right to remove disincentives to work and provide



targeted support to those who face barriers in the labour market, including women, Aboriginal and Torres Strait Islander people and people with disability.

Existing policy settings have not done enough to reduce intergenerational disadvantage and break down barriers to employment. The proportion of people on income support who have been on payment long term has continued to grow. The employment rate for people with disability has been stagnant for 20 years. In addition, Australia has further to go to achieve gender equality. Women continue to experience a significant gender pay gap, and care responsibilities are overwhelmingly borne by women. In combination, this contributes to women's lower workforce participation, and lower lifetime earnings.

The Government has already introduced substantial measures that reduce barriers to work, including making it easier for parents and unpaid carers, particularly women, to participate in the workforce. From July 2023, the Government introduced Cheaper Child Care for around 1.2 million families. Changes to the Government's Paid Parental Leave Scheme have also improved flexibility and accessibility, making it easier for both parents to take time off work to be with their children while remaining connected to their employer. The Government has also increased eligible working age and student income support payments, including JobSeeker Payment and Youth Allowance, by \$40 per fortnight. In addition, we provided more support for single parents, by expanding eligibility for Parenting Payment (Single) to single parents with dependent children aged under 14, of whom 91.1 per cent are women.

The Government has measures underway to remove barriers to promote participation and retention of people from under-represented backgrounds in the workforce, through actions such as the Australian Skills Guarantee and the Pathway to Diversity in STEM review. This is critical to addressing gender segregation by occupation and industry which can exacerbate skills shortages and hold our economy back. The framework will put the views and experiences of people with disability at the forefront of how Disability Employment Services provider performance is measured. In addition, the Government has committed to an ambitious housing reform agenda which will boost the supply of secure, affordable housing. This will reduce barriers to labour mobility and improve the ability for people to live close to job opportunities.

Going forward, the Government will continue to focus on implementing policies that go to improving equality and supporting participation for all Australians, including those who face challenges to fully participating in the labour market. The National Strategy to Achieve Gender Equality will build on the White Paper by outlining ways to enhance women's economic equality. The Government is addressing disincentives within the income support system to support people into work. We will also provide high-quality supports for people with disability, including establishing a Disability Employment Centre of Excellence and reforming Disability Employment Services by July 2025.

Promoting gender equality

A persistent gender pay gap, lack of workplace flexibility, gender segregation by occupation and industry, high financial disincentives for some secondary earners and an unequal distribution of care responsibilities mean women do not have the same opportunities to participate in, and benefit from, paid work as men. To improve women's economic equality further, Government, employers, and communities need to work together to address the intersecting barriers women face.

The Government recognises that workplaces must be safe so that all employees can thrive. To address sexual harassment in the workplace, the Government is implementing all recommendations of the Respect@Work report. This includes having legislated a positive duty for employers to prevent sexual



harassment, amendments to the *Fair Work Act 2009* (Fair Work Act) to expressly prohibit sexual harassment in the workplace and empowering the Fair Work Commission to deal with workplace sexual harassment disputes.

Recognising the impact of family and domestic violence on economic participation, the Government has also legislated 10 days of paid family and domestic violence leave and supported small businesses on the introduction of this reform. The Government's significant investments to prevent, respond to, and ultimately end family, domestic and sexual violence will work to tackle this significant barrier to workforce participation, which is overwhelmingly experienced by women.

The Government has taken steps to encourage sharing of care responsibilities between parents with significant changes to the Paid Parental Leave Scheme. From July 2023, instead of differentiating between primary and secondary carers, there is a single payment that both parents can claim, with two weeks of the scheme reserved for each parent to support them both to take time off work. Fathers and partners can be eligible regardless of the mother's residency status, are able to take government-funded leave at the same time as any employer-paid leave and have increased flexibility in choosing how they take paid parental leave days. As the scheme expands to 26 weeks, the Government will consider advice from the Women's Economic Equality Taskforce in finalising what component of leave will be reserved for fathers and partners.

These changes complement amendments to the Fair Work Act that have improved access to flexible work arrangements and strengthened the right to request an extension of unpaid parental leave. As set out in the Broadening access to foundation skills section, the Government has also made child care more affordable, helping to lower a barrier many women face to working, or working more hours. To further address disincentives to work, we will consider how to better support parents with caring responsibilities. This will include identifying opportunities to improve the early childhood education and care sector through a Productivity Commission inquiry, and improving access to care so parents are able to increase their participation if they want to.

Tackling gender segregation in education and industries has also been a focus for the Government. Targets have been set to increase women's participation in the tech sector through the Digital and Tech Skills compact with business and unions. The Australian Skills Guarantee includes targets for the proportion of apprentice/trainee hours to be undertaken by women on major Commonwealth construction and ICT projects. The National Construction Industry Forum has been established to consider the challenges facing the industry, including how to improve safety, culture, diversity, and gender equality. And to increase diversity and inclusion across the STEM sector, the Government is undertaking a Pathway to Diversity in STEM Review.

Much more needs to be done to improve gender equality. The Government is developing a National Strategy to Achieve Gender Equality. The Strategy will build on the White Paper by outlining ways to enhance women's economic equality. The Strategy will be informed by consultation with people around Australia to ensure diverse voices are heard, as well as the existing evidence base and advice from the Women's Economic Equality Taskforce. The Strategy will consider the broad range of factors that constrain or enhance gender equality, including the intersecting issues that can influence women's economic equality. This will include a focus on women who face complex and intersecting forms of disadvantage, as well as looking at ways we can better value and share care work, ensure safe and respectful workplaces, reduce industrial and occupational segregation, and remove barriers to leadership, positions of influence, and career progression.

Release of the Strategy will be an opportunity to bring together Government policy action to drive gender equality in the long term.



In addition, the Government will use the opportunities of the net zero transformation and the growing care and support economy to reduce industrial and occupational segregation. The Government has joined the international Equal by 30 campaign, which aims to achieve gender equality in the energy sector through committing to equal pay, equal leadership and equal opportunities for women by 2030. As outlined in the Planning for our future workforce section, implementation of the National Strategy for the Care and Support Economy will work to realise the goal of quality jobs for workers. This will have a disproportionate impact on women as they make up the majority of workers in the care and support economy.

The Government will focus on narrowing the gap in superannuation balances between women and men. The main driver of the gender gap in superannuation balances is the difference in lifetime earnings between women and men. Policies that target increasing women's participation in paid work and encouraging a more gender equal sharing of caring responsibilities will flow through to higher superannuation balances in future generations. We will look to pay the superannuation guarantee on Government-funded Paid Parental Leave when fiscal circumstances permit, boosting the superannuation balances of those taking paid parental leave. Additionally, we will consult on the retirement phase of superannuation with an aim to improve the outcomes all Australians get from their superannuation savings.

Addressing disincentives to work

Australia's income support system is designed to balance adequacy of payments with incentivising more participation in the workforce where possible. Many people who receive income support combine their payment with work or move on and off payment as their situation changes. An increasing proportion of income support recipients has been receiving payment for longer than a year, and there are real and perceived barriers preventing people from working more. The transition from income support to employment should be as smooth as possible – with people supported to get back into work without fear that the safety net will not be there if they need it again.

There are levers built into the income support system that facilitate workforce participation, but there is an opportunity to improve these to better support people to re-engage with work. The Government has already committed to a number of actions and will continue to explore further ways to reduce disincentives to participation, including for working-age payment recipients.

It is often reported that the risk of losing access to concession cards and child care subsidies, or needing to reapply for payment if a job doesn't work out, can discourage job seekers from taking on work. This is particularly true in circumstances where available roles are short term. Evidence indicates that people who have some work are twice as likely to ultimately exit income support than those who don't. It is critical that people are not deterred from taking on job opportunities.

To help smooth the transition between income support and work, and encourage more people to take up work, the Government will extend the nil rate period from 6 to 12 fortnights (subject to the passage of legislation). The 'nil rate period' enables job seekers who enter employment to remain connected to the social security system for a period, in case their job does not work out, and to continue accessing concession cards associated with receiving social security. This extension will give income support recipients more confidence to take up work opportunities, with less need to worry about reapplying for payment and associated benefits.

Access to the nil rate period is also being expanded to recipients who take up full-time work and therefore no longer meet the definition of being unemployed under the *Social Security Act 1991*. This will encourage people to take up full-time opportunities where they may previously have been



concerned that, if the job didn't work out, they would need to reapply for payment. As a result of these changes, people will be better supported to get back into work and have greater certainty they can access income support should they need it again.

As an outcome of the 2022 Jobs and Skills Summit, the Government increased the availability of work credits to age pensioners and veteran pensioners until 31 December 2023. Rather than needing to first accumulate credits, age pensioners received a temporary upfront credit of \$4,000 to their Work Bonus that could immediately be drawn upon, with the maximum limit in their Work Bonus Income Bank increased to \$11,800. The pension Work Bonus is designed to specifically reward pensioners who are working. It provides incentives that mean pensioners with employment income can earn more before their pension is affected.

To support the participation of pensioners on an ongoing basis, the Government will permanently provide a \$4,000 upfront Work Bonus to all new pension entrants over Age Pension age and retain the elevated maximum Work Bonus balance limit of \$11,800. This will mean pensioners are able to earn an additional \$4,000 before their pension is affected.

Providing high-quality supports for people with disability

The employment rate of people with disability has not shifted significantly in two decades. People with disability can face several unique and compounding barriers to workforce participation. These include discrimination, and the lack of understanding of reasonable adjustments that may need to be made in their workplaces.

Change is needed to improve the quality of support provided by government, service providers and employers. As set out in Australia's Disability Strategy 2021–2031, our goal is for a more inclusive and accessible society where all people with disability can fulfil their potential as equal members of the community. This is underpinned by *Employ My Ability – the Disability Employment Strategy* which strives to create inclusive workplace cultures where people with disability thrive in their careers. Employers need to create inclusive workplace cultures and support must be evidence-based, targeted and acknowledge that people with disability are not a homogenous group.

The Government has already introduced changes to improve the quality of support available to people with disability who are looking for work. Since July 2023, a new Disability Employment Services Quality Framework has been in place. The new Framework is designed to achieve the delivery of high-quality, tailored services for people with disability. It will ensure providers are listening and responding to the needs of individuals and employers to drive meaningful and sustained quality improvement. This is part of the ongoing reform of Disability Employment Services.

The Government is also investing in creating ongoing employment opportunities for people with disability with high support needs, while helping the supported employment sector to evolve to better meet community expectations. This includes enabling the supported employment sector to evolve their business models through the Structural Adjustment Fund and supporting organisations, including Australian Disability Enterprises, to transition to the revised Supported Employment Services Award by providing training and information. The Government is also consulting on a disability business procurement initiative and looking at how procurement can be leveraged to create sustainable jobs for people with disability.

The National Disability Data Asset will give a more complete picture of the life experiences of people with disability, including their employment outcomes, and ultimately improve the way services are targeted and how people with disability interact with governments and service providers. The disability



community is involved in designing and creating the asset, which is essential for its success. All states and territories have agreed to deliver the Asset with formal agreements to be signed later this year.

More needs to be done to ensure disability employment services are better linked with other programs and services, such as the NDIS and Workforce Australia, as well as understanding the requirements of employers and helping them to be part of the necessary shift to improve outcomes for people with disability, their families and unpaid carers. Better linkages between programs would ensure holistic, joined up support for people with disability.

Drawing on the employment services principles in Box R.4, the Government is working with people with disability, employers and providers on the design and implementation of a new specialist disability employment services model to ensure it supports both people with disability to find and maintain employment, and businesses who employ people with disability to ensure their employment is successful. The new service will be introduced in 2025. Consultation and design of the Disability Employment Centre of Excellence is ongoing. It will provide examples of best practice and support not only for job seekers but also employers and employment service providers.

Alongside these reforms, an Independent Review Panel will complete a review into the operation of the NDIS by October 2023. The NDIS review is examining the design, operations and sustainability of the NDIS and ways to build a more responsive, supportive, and sustainable market and workforce. The overarching objective of the review is to put people with disability back at the centre of the NDIS while ensuring the sustainability of the scheme into the future. An effective NDIS will improve outcomes for people with disability and their unpaid carers, including meaningful employment opportunities and broader social and economic benefits.



9 Partnering with communities

Table R.9 Actions to partner with communities

Implemented	Underway	Future reform directions
<p>Funded a Targeting Entrenched Disadvantage package</p> <ul style="list-style-type: none"> Extended Stronger Places, Stronger People, a community-led initiative to address disadvantage through local, evidence-based solutions <p>Strengthened local First Nations community initiatives</p> <ul style="list-style-type: none"> Funded foundation skills training for First Nations people through Aboriginal and Torres Strait Islander community-controlled organisations <p>Invested in broader social policy initiatives</p> <ul style="list-style-type: none"> Supported victim-survivors of family, domestic and sexual violence; supported community sector; and supported mental health and suicide prevention research 	<p>Working towards improving outcomes</p> <ul style="list-style-type: none"> Co-designing the Outcomes Fund and delivering the Social Enterprise Development Initiative Developing a partnership with philanthropy through the Investment Dialogue for Australia’s Children Developing the Life Course Data Asset to improve our understanding of how communities experience disadvantage Doubling the number of Indigenous rangers and expanding the Indigenous Protected Areas Programs by 2030 <p>Working together through policy partnerships</p> <ul style="list-style-type: none"> Scoping a First Nations Economic Partnership Identifying ways to back the social enterprise sector, and provide more employment and training opportunities for Australians facing disadvantage 	<p>Boost place-based approaches</p> <ul style="list-style-type: none"> Better align programs and delivery across governments Put data in the hands of communities and give them a say in how funding is directed, with appropriate government controls Expand the role of communities in decision-making over time <p>Partner with First Nations people</p> <ul style="list-style-type: none"> Improve progress on Closing the Gap in economic participation and development outcomes, by working in partnership with First Nations people <p>Back social enterprise</p> <ul style="list-style-type: none"> Build capacity to get people into jobs and create job pathways by supporting the growth of the social enterprise sector

Even in a strong labour market, a growing proportion of job seekers face multiple significant barriers to employment, and existing services are often siloed and fragmented. While mainstream approaches work for many, a tailored and integrated set of services is needed to help some people facing complex barriers or experiencing entrenched disadvantage to fulfil their potential. Partnerships with communities, service providers and others offer the opportunity to genuinely respond to local needs and improve outcomes over the long term.

The Government has committed funding through the Targeting Entrenched Disadvantage package to improve the coordination and quality of investments made by governments, philanthropy, and the private sector. This includes extending the existing Stronger Places, Stronger People initiative and backing social enterprises with a Social Enterprise Development Initiative. We have funded a new Outcomes Fund that is being co-designed in partnership with key stakeholders, including with states and territories and service providers, to fund projects that deliver outcomes in communities. The government is also developing a partnership with leading philanthropists through an Investment Dialogue for Australia’s Children.

The Government’s broader social policy agenda helps put people in a better position to take up work. Significant new support for family, domestic and sexual violence survivors includes investment in pilot programs to support victim-survivors through Primary Health Networks across Australia. Other



initiatives include grant funding support for community sector organisations and working closely with stakeholders on options to create a stronger, more diverse and independent community sector. There is also funding for mental health and suicide prevention, including mental health research to broaden the focus of suicide prevention to include employment factors such as unemployment, underemployment, precarious employment, work-related stress, and financial distress.

Tackling entrenched disadvantage concentrated in communities requires collaboration, commitment, and a mix of strategies. Universal social services play a significant role in providing Australians with the support they need, however, there is an opportunity to take a new approach and integrate services to address the complex barriers some Australian communities face through support for place-based ways of working. This will require working with First Nations communities and building community capacity, including through social enterprises.

Boosting place-based approaches

Place-based approaches can assist with developing targeted strategies that are right for local communities. Strong local leadership and coordination of resources can address the local drivers of disadvantage that help achieve inclusive full employment. Place-based approaches can support better investments in communities experiencing concentrated intergenerational disadvantage and improve the wellbeing outcomes for individuals, families and communities. Central to this is directing funding to communities in ways that help them address local issues, ensuring communities have access to data to guide local decision-making, and setting up appropriate systems and processes to achieve this.

The Government is moving to tackle entrenched disadvantage by extending what works and building upon it in an integrated way – partnering with philanthropists, empowering communities, and enhancing place-based approaches.

We have extended the Stronger Places, Stronger People program, a community-led, collective impact initiative, stewarded by the Australian Government in partnership with state and territory governments and 10 communities across Australia. It seeks to disrupt disadvantage and create better futures for children and their families through locally tailored and evidence-driven solutions to local problems, in partnership with local people.

The Government is developing a whole-of-government framework to address community disadvantage, which will underpin the changes needed to deliver on our future direction working in partnership with communities to address local challenges. The framework will design the practical ways in which government can work with communities to:

- better align programs and delivery across governments and portfolios
- put data in the hands of communities and give them a say in how funding is directed, with appropriate government controls
- expand the role of communities in decision-making over time.

Developing new data sets, such as the National Disability Data Asset and Life Course Data Asset – and making better use of data in partnership with communities – will be critical to further embed the use of place-based approaches.



Partnering with First Nations people

The Government is partnering with the Coalition of Peaks to scope a First Nations Economic Partnership.

The Partnership will improve progress against Closing the Gap Outcome Eight (economic participation and development) and Priority Reform One (formal partnerships) and be an important mechanism for shared decision-making – giving effect to the Government’s commitments under the Closing the Gap agreement.

The Government and the Peaks want the partnership to be centred on the strengths of Aboriginal and Torres Strait Islander people, communities and community-controlled organisations, supporting job creation, and translating First Nations people’s knowledges, assets, interests and rights into tangible, sustainable social and economic benefits for their communities.

In line with Priority Reform One of Closing the Gap, the Government is committed to a future where policymaking that impacts the lives of First Nations people is done in full and genuine partnership based on the principles of shared decision-making and self-determination. Giving First Nations people a say in the policies affecting their lives delivers better policies and outcomes.

Doubling the number of Indigenous rangers

The Government is committed to working with First Nations communities. For 65,000 years, First Nations people have been custodians and caretakers of Australia’s flora and fauna, land, rivers and sea. Today, Indigenous rangers protect nature and maintain connection to Country and culture, while delivering environmental, cultural, social, and economic development outcomes.

Around Australia, 128 Indigenous Rangers Programs work with First Nations people to manage Country in line with Traditional Owners’ aspirations. The Government is on track to deliver its commitment to double the number of Indigenous rangers to 3,800 by 2030.

Backing social enterprise

The Government is backing social enterprises to further help people facing labour market disadvantage. Social enterprises are critical to improving employment outcomes for marginalised cohorts in local communities across Australia. There are over 12,000 social enterprises with a workforce of over 206,000 people in Australia. Approximately 58 per cent of certified social enterprises are employment-focused. This growing sector offers employment opportunities to people experiencing disadvantage through inclusive employment opportunities, job training and on-the-job support to people facing complex barriers to work. The Government’s reform direction is to draw on the expertise of the social enterprise sector and build capacity to improve the labour market outcomes of people who experience entrenched disadvantage.

The government is already partnering with the social enterprise sector to advance common objectives. A Social Enterprise Development Initiative will support organisations such as social enterprises and charities to build their capability and support improved social outcomes. Additionally, under the Outcomes Fund, the Commonwealth will explore partnerships with states, territories and service providers to tackle disadvantage by funding projects that deliver outcomes in communities.

As a next step, the Government will investigate opportunities to work with social enterprises to address persistent labour market disadvantage, with a focus on the role social enterprises could play in creating jobs and career pathways.



10 Promoting inclusive, dynamic workplaces

Table R.10 Actions to promote inclusive, dynamic workplaces

Implemented	Underway	Future reform directions
<p>Strengthened protections in the Fair Work framework</p> <ul style="list-style-type: none"> Committed to amend the Fair Work Act to include subsection to family and domestic violence in the list of protected attributes Made breastfeeding, gender identity and intersex status protected attributes in the Fair Work Act <p>Made gender pay gaps visible</p> <ul style="list-style-type: none"> Legislated for the Workplace Gender Equality Agency to publish gender pay gaps of employers with 100 or more employees Banned pay secrecy <p>Supported employers to adopt new hiring practices</p> <ul style="list-style-type: none"> Co-designed entry-level work programs with employers through the Launch into Work program Launched the Carer Inclusive Workplace Initiative 	<p>Shaping outcomes through Government's purchasing power</p> <ul style="list-style-type: none"> Establishing the Secure Australian Jobs Code to ensure government procurement supports secure jobs Introducing the Australian Skills Guarantee, with targets for women on major Government projects <p>Partnering with employers</p> <ul style="list-style-type: none"> Co-developing a disability employment pilot with the Business Council of Australia Delivering a Visitor Economy Disability Employment pilot to deliver place-based employment outcomes by connecting small businesses, employment service providers and job seekers with disability <p>Improving information about experiences in work</p> <ul style="list-style-type: none"> Funding the ABS to improve data on unpaid care, job security and outcomes of employment services and income support programs 	<p>Promote innovative recruitment and job design</p> <ul style="list-style-type: none"> Encourage workplace cultural change and job co-design Expand First Nations employment opportunities in the APS <p>Improve policy evaluation and partnerships</p> <ul style="list-style-type: none"> Embed robust evaluation into policy design, especially for employment services Reform employment services to better support employers' recruitment needs Co-develop work experience principles for job seekers who are disadvantaged <p>Improve transparency on workforce diversity</p> <ul style="list-style-type: none"> Ensure data leads to change including through setting measurable targets

Workplaces around the country will ultimately be the engine room for achieving full employment, productivity growth, and secure, fairly paid jobs. They are critical to facilitating the lifelong learning needed to help build our skilled and adaptable workforce.

Despite labour market tightness, consultation for this White Paper reported there have been limited changes to hiring practices and workplace flexibility to manage skills shortages. While there are some practical barriers businesses face when hiring people with specific needs, more needs to be done to promote inclusion and diversity in the workplace. Respectful and inclusive workplaces will help share the benefits of work with more people. The Government is setting targets for its own recruitment, including a target for 5 per cent First Nations employment in the Australian Public Service by 2030.

Employers can improve the diversity and inclusivity of their workforce with considered hiring practices, and by implementing strategies that create more open and inclusive workplaces. Employers can also consider how better job design can support a wider range of people to participate and fulfil their potential. The barriers, real and perceived, that stop employers from hiring diversely need to be understood and overcome.

For workplaces to be inclusive they need to be free from discrimination. Through our strengthened Fair Work framework, the Government has made breastfeeding, gender identity, and intersex status protected attributes under the Fair Work Act to prohibit discrimination against employees on this basis



in the workplace. Strengthening protections against discrimination in the workplace remains a priority for the Government with a proposal currently before Parliament to include 'subjection to family and domestic violence' in the list of protected attributes.

The Government is improving transparency and encouraging employers to identify and eliminate sources of bias and discrimination in their organisation. To do this, the Government has strengthened requirements for employers to report their gender pay gaps and to develop strategies to improve gender equality in the workplace.

We are working in partnership with employers to find new ways to help people into work. This includes developing a disability employment pilot with the Business Council of Australia and its members, and a Disability Employment Tourism Local Navigators pilot. Going forward employers, unions, communities and governments will need to work in closer partnership to make workplaces more diverse, inclusive and dynamic. More can be done to embed partnerships with employers in some of the largest government programs, particularly employment services. We are also partnering with social enterprises and the not-for-profit sector to target entrenched disadvantage, as discussed in the Partnering with communities section.

Promoting innovative recruitment and job design

Australians deserve a chance to work in a job that matches their skills. Enabling this for more people will help broaden opportunities and support productivity improvements. The Government will continue to drive cultural change by providing support to businesses to embrace diverse hiring and innovative job design, as well as through using its purchasing power.

The Workforce Australia Employer Liaison Officer program helps large businesses find the staff they need by exploring alternative hiring practices and sharing insights from industry experts. The Carer Inclusive Workplace Initiative will enable businesses, in particular small businesses, to self-identify as a carer inclusive organisation. The Government is developing a set of best practice principles alongside unions and employers to guide meaningful work experience opportunities and workplace-based mentoring programs for people experiencing disadvantage. We are also working with the Australia's top 200 businesses to strengthen First Nations employment and economic opportunities.

The Indigenous Procurement Policy has demonstrated the potential of procurement policies to achieve social outcomes by stimulating Indigenous entrepreneurship and supporting First Nations employment outcomes. Building on its success, we will introduce the Secure Australian Jobs Code as part of our Buy Australian Plan to prioritise secure work in government contracts. The Government is also exploring opportunities for a disability business procurement initiative, as discussed in the Reducing barriers to work section. We are supporting employers, particularly small businesses, to overcome the practical challenges of hiring by providing a 'hiring employees' checklist and an employment contract builder on business.gov.au.

Improving partnerships

Partnering with employers, unions and the community will help ensure approaches to broaden opportunity and improve workplaces are pragmatic and effective. The Government is partnering with employers to improve employment outcomes for job seekers, including people with disability and First Nations people.



The next stage of reform is to support employers to hire people who may require additional support, through training and capacity building, to be productive employees. More needs to be done to embed partnership with employers in our biggest programs, particularly employment services. As set out in the Building capabilities through employment services section, the Government wants employment services to help meet employer's workforce needs, and access guidance on innovative job design, recruitment practices and inclusive approaches to workforce development.

Engaging employers, unions and the community in the design of guidance materials for workplaces can help ensure materials are relevant and effective. The Launch into Work program provides opportunities for job seekers to build their skills and work readiness and for employers to fill entry-level roles. We are working with unions and employers to develop a set of best practice principles to guide meaningful work experience opportunities and workplace-based mentoring programs for people experiencing disadvantage.

The Government is also exploring new partnership opportunities to leverage existing expertise and understanding of the barriers to employment that people face, for example with social enterprises. To do this we are working to develop their capacity through programs like the Social Enterprise Development Initiative, discussed in the Partnering with communities section.

Improving transparency on workforce diversity

Improvements in employment outcomes for under-represented groups and narrowing the gender pay gap will only be possible if we can track them. Transparent reporting on workplace diversity and the gender pay gap reflects the standards the community expects workplaces to meet. The Government will continue to strengthen reporting and transparency, as well as making sure the collection of data is used to implement positive change.

Transparency is a key tool to help reduce the gender pay gap. The Government has passed reforms to the *Workplace Gender Equality Act 2012* to improve the transparency of gender pay gaps. From early 2024, the Workplace Gender Equality Agency (WGEA) will publish the gender pay gaps of eligible employers with 100 or more employees. In addition, we have strengthened existing reporting standards to require employers with 500 or more employees to develop policies or strategies against indicators to improve gender equality in their workplaces. Allowing public access to gender pay gap data promotes accountability, empowers workers to make informed career choices and advocate for better conditions for themselves, and encourages businesses to be transparent and fair from the outset. It also contributes to important public discussions about the state of gender equality across sectors and individual organisations, and what progress needs to be made.

The Government is leading by example, with all Commonwealth public sector employers with 100 or more employees now required to report to WGEA as part of the response to the Respect@Work report. The Secure Jobs, Better Pay Act has also increased transparency by prohibiting pay secrecy clauses in employment contracts and given employees a right to disclose or not disclose their remuneration.

As outlined in Chapter 2, quality data is not available for many cohorts who face entrenched disadvantage and poor labour market outcomes. Going forward, the Government will work to ensure quality data is available for more cohorts.

The Government will fund the ABS to work with First Nations people on methods to produce more frequent employment data and enable more effective monitoring of labour market outcomes. The ABS is also being funded to integrate Labour Force Survey, income support and employment services data



to provide a more holistic picture of labour market activity and an improved capability to understand successful transitions and outcomes. Alongside the National Disability Data Asset and the Life Course Data Initiative, this data will provide Australia with a much clearer picture of labour market outcomes and interactions with income support and employment services programs.

To help increase the visibility of the social and economic value of unpaid care, the ABS has been funded to collect data that will support more accurate estimates of the amount and value of unpaid care. This will be an annual release as part of the Labour Account, using a combination of the Time Use Survey and Labour Force Survey data. This was recommended by the Senate Select Committee into Work and Care and will better inform policy development around the availability and affordability of care services, and support for unpaid carers.

Ensuring there is quality data available to inform change is not only up to the Government. Collecting diversity data of current staff is another important way the private sector can support an inclusive workplace. However, the collection of diversity data must be done in a culturally safe way, and part of a broader commitment to inclusion and diversity. While reporting and data are essential to understanding the labour market, collecting this data must lead to positive change. The WGEA is consulting on how employers could safely collect and report more detailed diversity data, and how employers could set and achieve gender equality targets.

Improving the quality of evaluation across government

The best possible evidence should inform decision-making and there is room to improve evaluation of programs and policies across government, including of policies related to the labour market. Work done for the *Our Public Service, Our Future* Independent Review of the Australian Public Service found that the quality of evaluation was ‘piecemeal’. The Government spends a considerable amount of money on evaluation. A report from the Australian Evaluation Society estimated that in 2021–22, the Commonwealth procured 224 evaluations from external consultants, at a total cost of \$52 million. Yet many evaluations have been insufficiently rigorous.

The Government is determined to build up its evidence base, and to make decisions based on the highest quality evidence. We have already established the Australian Centre for Evaluation within the Australian Treasury. The Centre will collaborate with federal agencies to conduct high-quality evaluations, carried out within a robust ethical framework, including in employment services. The Centre will also look for opportunities to share learning with states, territories, philanthropic foundations and academic experts.

The Government’s commitment to evidence-based policy underpins the findings in this White Paper and our future approach. Where high-quality evidence exists, we have drawn on it to produce the key analysis. Going forward, where the evidence is limited, we will consider options and mechanisms to build the evidence base, in order to shape better policies.



Ongoing collaboration

As well as resulting in a program of immediate actions to address Australia's economic challenges, the Jobs and Skills Summit started nation-wide consultations underpinning the development of this White Paper. Over 400 public submissions were received by Treasury, from community groups, peak bodies, businesses, individuals, think tanks, unions and governments across every state and territory.

Over 2022 and 2023, delegations from Treasury's Employment Taskforce visited every state and territory and met with employers, industry representatives, state and local governments, community groups, education providers, employment service providers and individuals. In total, the Taskforce met with over 250 stakeholders, including people with lived experience of unemployment or underemployment through a series of focused roundtables.

This spirit of collaboration is what the Government intends to bring to implementing our Roadmap. We cannot do it alone. Strong partnerships with governments, employers including large, medium and small businesses, unions, civil society and the broader community will be essential to position our labour market for the future. We are committed to building a bright working future.



Actions to support a dynamic and inclusive labour market

1 Strengthening our economic foundations		
Implemented	Underway	Future reform directions
<p>Set clear, strategic objectives</p> <ul style="list-style-type: none"> Introduced a new, bolder full employment objective Made full employment, real wages growth, and women’s economic equality core objectives of our Economic and Fiscal Strategy Added job security and gender equality to the objects of the Fair Work Act <p>Established a better evidence base for policy development</p> <ul style="list-style-type: none"> Introduced gender responsive budgeting and a national wellbeing framework: Measuring What Matters Established the Australian Centre for Evaluation Refreshed the Tax Expenditures and Insights Statement Released a new Intergenerational Report to guide our understanding of future workforce needs and opportunities Established a Women’s Economic Equality Taskforce to provide advice on priorities for women’s economic equality <p>Supported the lowest paid</p> <ul style="list-style-type: none"> Advocated for pay rises through submissions to Fair Work Commission Annual Wage Reviews Fully funded the largest ever increase to award minimum wages through aged care work value case Legislated to expand access to bargaining for small businesses and industries with low levels of bargaining 	<p>Strengthening economic institutions</p> <ul style="list-style-type: none"> Implementing RBA Review recommendations Renewing the Productivity Commission Empowering the Fair Work Commission to set minimum standards for employee-like work Better coordinating strategic planning across economic institutions, including Jobs and Skills Australia and the new Net Zero Authority Promoting inclusion by working with new advisory forums, including the Economic Inclusion Advisory Committee Legislating reforms to close loopholes that undercut wages and conditions, and to criminalise intentional wage theft Funding the ABS to address priority gaps in labour market data <p>Improving productivity</p> <ul style="list-style-type: none"> Elevating productivity reform on National Cabinet’s agenda Working across portfolios to realise productivity growth opportunities, including through the Competition Review, Migration Strategy, National Strategy for the Care and Support Economy and a Net Zero 2050 plan 	<p>Elevate full employment in decision-making</p> <ul style="list-style-type: none"> Embed sustained and inclusive full employment as a strategic objective Better measure and monitor progress to full employment, especially underemployment and outcomes across cohorts Address structural sources of underutilisation <p>Progress a five pillar productivity agenda</p> <ul style="list-style-type: none"> Create a more dynamic and resilient economy Build a skilled and adaptable workforce Harness data and digital technologies Deliver quality care more efficiently Invest in cheaper, cleaner energy and the net zero transformation <p>Embed the fundamentals for secure, well-paid jobs</p> <ul style="list-style-type: none"> Promote labour market dynamism, including investigating non-compete agreements Further address migrant worker exploitation through Migration Strategy initiatives Improve gender equality and safety in the workplace



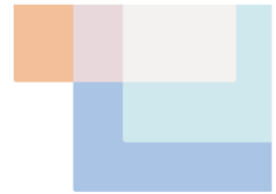
2 Modernising industry and regional policy

Implemented	Underway	Future reform directions
<p>Set national priorities</p> <ul style="list-style-type: none"> Legislated emissions reduction targets of 43 per cent by 2030 and net zero by 2050 Defined seven national priority areas through the National Reconstruction Fund, ranging from value-add in resources to medical science Established the Critical Technologies List, including AI, quantum, robotics, advanced manufacturing, clean energy tech and biotechnology Introduced the Regional Investment Framework to ensure investments are delivering for regions Established the National Energy Transformation Partnership and National Transformation Principles with states and territories to coordinate the renewable energy and broader net zero transition Established the National Cyber Security Coordinator Made targeted investments in priority areas, including \$100 million equity investment in the Australian Made Battery precinct Established Music Australia and Creative Workplaces, and delivered a National Cultural Policy 	<p>Coordinating strategic investment</p> <ul style="list-style-type: none"> Convening investor roundtables to unlock investment in priority areas Investing in net zero through initiatives like the Capacity Investment Scheme Establishing a Sustainable Finance Strategy to attract green finance Rebuilding capabilities through the National Reconstruction Fund and the Industry Growth Program Refreshing Australia's National Science and Research Priorities Developing strategies for AI and cyber security Delivering the Buy Australian Plan Supporting Australia's transition to a circular economy by 2030 <p>Investing in modern infrastructure</p> <ul style="list-style-type: none"> \$120 billion infrastructure pipeline focused on improving productivity, supply chains and economic growth \$20 billion Rewiring the Nation to modernise our electricity grid \$1.1 billion Better Connectivity Plan to boost digital foundations \$4 billion in Northern Australia Infrastructure Facility \$1 billion in the Growing Regions and Regional Precincts and Partnerships Program Delivering a mission-based approach to innovation through \$3.4 billion Defence Advanced Strategic Capabilities Accelerator Strengthening biosecurity and disaster resilience systems 	<p>Back people, regions and industries</p> <ul style="list-style-type: none"> Invest in people, their mobility and adaptability Invest in places, especially through periods of transition Broaden and deepen Australia's industrial base, including through the Critical Minerals Strategy and National Battery Strategy <p>Become a renewable energy superpower</p> <ul style="list-style-type: none"> Set strong foundations for a net zero economy, including through sectoral decarbonisation plans Realise net zero industrial opportunities Provide strategic coordination through the Net Zero Authority <p>Promote tech adoption</p> <ul style="list-style-type: none"> Support businesses to adopt technologies Foster an innovative science and technology sector Build trust and certainty in technologies, including by developing responsible AI guardrails and cyber security capabilities Improve access to digital skills



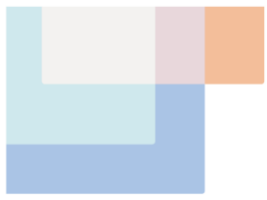
3 Planning for our future workforce

Implemented	Underway	Future reform directions
<p>Leveraged workforce planning</p> <ul style="list-style-type: none"> Established Jobs and Skills Australia and 10 new, industry-specific tripartite Jobs and Skills Councils Launched the National Teacher Workforce Action Plan Established a tripartite Agricultural Workforce Working Group Instituted a new annual Jobs and Skills Report by Jobs and Skills Australia <p>Targeted workforce shortages</p> <ul style="list-style-type: none"> Delivered around 215,000 Fee-Free TAFE enrolments with the states and territories in areas of skills shortage Established an Industry Labour Agreement for Aged Care Expanded the Australian Apprentice Support Loans to non-trade priority occupations Invested in workforce skills and training measures for the early childhood education and care sector Funded an interim 15 per cent pay increase for aged care workers to attract and retain staff in the sector 	<p>Tailoring industry specific solutions</p> <ul style="list-style-type: none"> Developing a National Strategy for the Care and Support Economy, with an early focus on our regulatory settings Working towards 1.2 million tech-related jobs by 2030 Delivering a further 300,000 Fee-Free TAFE places in areas of skills shortage from 2024 Implementing the APS Digital Traineeship Program Funding up to 20 nationally competitive PhD scholarships through the Next Generation Quantum Graduates Program Attracting and training home-grown, job-ready AI specialists through the Next Generation AI Graduates program Developing a South Australian Defence Industry Workforce and Skills Plan Reviewing the National Freight and Supply Chain Strategy <p>Building our labour market evidence base</p> <ul style="list-style-type: none"> Undertaking a National Study of Adult Literacy, Numeracy and Digital Skills Updating the Australian and New Zealand Standard Classification of Occupations to reflect modern technologies and roles 	<p>Coordinate skill priorities and policies</p> <ul style="list-style-type: none"> Introduce a single consolidated occupation list for temporary skilled migration Embed joint stewardship of the VET sector with states and territories to better identify and train students in areas of national priorities Promote innovation in qualifications and lifelong learning to ensure our ability to meet industry needs <p>Plan for the care and support economy</p> <ul style="list-style-type: none"> Build capacity and steward the care economy market and workforce as a whole, to deliver quality care and support with quality jobs <p>Grow our workforce to support the net zero transformation</p> <ul style="list-style-type: none"> Identify skill needs through the Clean Energy Capacity Study Plan our energy workforce through the National Energy Workforce Strategy <p>Expand our digital skills base</p> <ul style="list-style-type: none"> Partner with industry to improve pathways into tech careers Develop targeted strategies for priority areas, including AI, robotics and cyber security



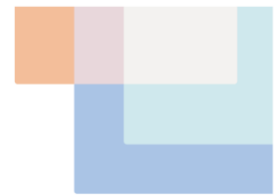
4 Broadening access to foundation skills

Implemented	Underway	Future reform directions
<p>Made child care cheaper and invested in better outcomes</p> <ul style="list-style-type: none"> Invested \$4.6 billion through the Cheaper Child Care Package to increase Child Care Subsidy rates for families earning up to \$530,000 per annum Introduced a base entitlement to 36 hours of Child Care Subsidy per fortnight for Aboriginal and Torres Strait Islander children Developed the Early Childhood Care and Development Policy Partnership to improve outcomes for First Nations children <p>Increased support for students and the teacher workforce</p> <ul style="list-style-type: none"> Expanded the High Achieving Teachers Program Reformed NAPLAN to raise the standard and better identify students who need additional support Launched the National Teacher Workforce Action Plan 	<p>Making early childhood education and care cheaper, better and more accessible</p> <ul style="list-style-type: none"> Examining child care costs through ACCC inquiry Identifying opportunities to improve the early childhood education and care sector through a Productivity Commission inquiry Developing an Early Years Strategy to support early learning, wellbeing and development <p>Building a better, fairer school system</p> <ul style="list-style-type: none"> Undertaking an Expert Panel Review to Inform a Better and Fairer Education System Encouraging high-quality candidates to study teaching through scholarships of up to \$40,000 each <p>Boosting adult foundation skills</p> <ul style="list-style-type: none"> Undertaking a National Study of Adult Literacy, Numeracy and Digital Skills Redesigning and broadening eligibility for the Skills for Education and Employment program Including foundation skills as a focus area for National Skills Agreement negotiations 	<p>Chart a course to universal early childhood education and care</p> <ul style="list-style-type: none"> New principles in this Roadmap will guide reforms for establishing universal access to early childhood education and care <p>Improve equity of school outcomes</p> <ul style="list-style-type: none"> Negotiate new National School Reform Agreement to improve equity and student outcomes Work with states and territories to have every school on a path to 100 per cent of its fair funding level <p>Improve access to foundation skills training programs</p> <ul style="list-style-type: none"> Better integrate foundation skills with employment services to help job seekers get the skills they need to improve economic participation outcomes and overcome disadvantage Establish new coordinated efforts to lift the foundation skills of Australian adults with states and territories



5 Investing in skills, tertiary education and lifelong learning

Implemented	Underway	Future reform directions
<p>Broadened opportunities for people to study in areas of skills shortage</p> <ul style="list-style-type: none"> Expanded the Australian Apprenticeships Priority List Delivered around 215,000 Fee-Free TAFE enrolments with the states and territories in areas of skills shortage <p>Implemented targeted action within the tertiary education sector on priority areas</p> <ul style="list-style-type: none"> Established the TAFE Technology Fund to help TAFEs upgrade and expand their facilities Launched New Energy Apprenticeships and the New Energy Skills Program to support workers in new energy industries Established Startup Year to support students' participation in startup courses <p>Developed partnerships with industry</p> <ul style="list-style-type: none"> Supported the new Digital and Tech Skills Compact to grow the tech sector Extended the Women in STEM Cadetships and Advanced Apprenticeships program to give women more opportunities to work in STEM careers 	<p>Growing and strengthening Australia's vocational education sector</p> <ul style="list-style-type: none"> Investing an additional \$3.7 billion in a new National Skills Agreement with states and territories Delivering a further 300,000 Fee-Free TAFE places in areas of skills shortage from 2024 Building diversity in apprenticeships and driving completions, including through a new Australian Apprentices Support Services model Undertaking a VET Workforce Blueprint Turbocharging TAFE Centres of Excellence to fast track their establishment Introducing 'higher apprenticeships' to deliver advanced tertiary skills responsive to industry needs <p>Improving outcomes and broadening access to university</p> <ul style="list-style-type: none"> Developing a Universities Accord Delivering 20,000 additional university places for students from under-represented backgrounds Delivering an additional 4,000 university places in STEM courses Establishing new Regional and Suburban University Study Hubs Ceasing the 50 per cent pass rule Introducing demand driven university places for all First Nations students <p>Improving skills recognition</p> <ul style="list-style-type: none"> Defining the scope, outcomes and benefits of a National Skills Passport in consultation with industry, unions, tertiary institutions and across government to help people more easily demonstrate their skills to employers and reduce barriers to lifelong learning 	<p>Promote a larger share of Australians studying in areas of high skills need</p> <ul style="list-style-type: none"> Leverage Jobs and Skills Australia to forecast skills needs and guide a responsive tertiary sector to respond to changing demands Promote greater participation in tertiary education of under-represented groups, including regional students <p>Boost collaboration in the tertiary sector</p> <ul style="list-style-type: none"> Develop collaborative institutions including TAFE Centres of Excellence, with focuses on priority areas Develop new innovative qualifications, which combine the best of the tertiary education system, like higher apprenticeships <p>Remove barriers to lifelong learning</p> <ul style="list-style-type: none"> Encourage ongoing learning in the workplace Support people to better demonstrate their skills to employers



6 Reforming the migration system

Implemented	Underway	Future reform directions
<p>Taken action to address backlogs and restore integrity to the visa system</p> <ul style="list-style-type: none"> Accelerated visa processing and reduced visa backlog Provided more funding to Australian Border Force to address exploitation Raised the Temporary Skilled Migration Income Threshold Ended pandemic event measures Completed the Rapid Review into the Exploitation of Australia's Visa System <p>Taken action to address skills shortages</p> <ul style="list-style-type: none"> Extended post-study work rights for students in areas of labour shortage Increased the permanent migration planning level in 2022–23, including tripling the places for regional Australia <p>Put permanency back at the heart of the migration system</p> <ul style="list-style-type: none"> Provided a pathway to permanent residency for all temporary skilled visa holders Introduced a direct pathway to citizenship for eligible New Zealanders 	<p>Creating a Migration Strategy for a more prosperous and secure Australia</p> <ul style="list-style-type: none"> Responding to the 2023 Review of the Migration System with new vision, objectives and roadmap Strengthening integrity in international education Improving recognition of priority qualifications, including by responding to the Independent Review of Health Practitioner Regulatory Settings <p>Taking further measures to combat worker exploitation</p> <ul style="list-style-type: none"> Introducing criminal penalties for exploitation Consulting with business, unions and civil society on whistleblower protections for temporary visa holders Designing the firewall between the Fair Work Ombudsman and the Department of Home Affairs 	<p>Better target skilled migration</p> <ul style="list-style-type: none"> Deliver a new temporary skilled migration system that is effective at targeting Australia's evolving skills needs Develop an improved occupation list in partnership with Jobs and Skills Australia Introduce new permanent skilled visa settings, including exploring a revised points test <p>Realise migrants' employment potential</p> <ul style="list-style-type: none"> Take further action to combat migrant worker exploitation Improve skills assessments <p>Improve employment outcomes for international students</p> <ul style="list-style-type: none"> Improve pathways to work in higher skilled roles <p><i>Further reforms will be outlined in the Migration Strategy</i></p>



7 Building capabilities through employment services

Implemented	Underway	Future reform directions
<p>Immediate improvements to employment services programs</p> <ul style="list-style-type: none"> Suspended compulsory participation in ParentsNext Launched Veteran Employment Program to support transitions into the civilian workforce Better-embedded employment in National Disability Insurance Scheme plans Extended the Time to Work Employment Service, assisting First Nations people in prison to access the support to find work post-release Launched the Indigenous Skills and Employment Program, connecting First Nations people with jobs, training, and career advancement opportunities 	<p>Consulting on and co-designing reforms to employment services programs</p> <ul style="list-style-type: none"> Conducting a first-principles review of Workforce Australia Developing a new remote jobs program in consultation with First Nations people and remote communities, including undertaking a trial that is creating up to 200 jobs in remote areas Designing a new program to replace ParentsNext in consultation with parents and stakeholders Reforming the Local Jobs Program to align with best practices in place-based policy design, and expanding eligibility for projects to more people seeking work 	<p>Reform employment services</p> <ul style="list-style-type: none"> Establish clear processes to reform employment services guided by new principles in this Roadmap <p>Engage with local labour markets</p> <ul style="list-style-type: none"> Apply place-based policy design best practices to employment services programs <p>Evaluate and learn in employment services</p> <ul style="list-style-type: none"> Embed evaluation into policy reform processes, and the design of ongoing programs

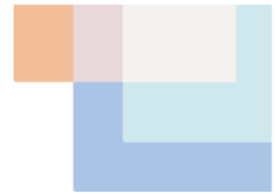


8 Reducing barriers to work		
Implemented	Underway	Future reform directions
<p>Implemented measures to end violence against women</p> <ul style="list-style-type: none"> Committed to implementing all Respect@Work recommendations, including having legislated a positive duty for employers to prevent sexual harassment Invested \$2.3 billion in measures to end violence against women in the October and May Budgets <p>Promoted flexible and inclusive workplaces</p> <ul style="list-style-type: none"> Legislated 10 days of paid family and domestic violence leave Improved access to flexible work and unpaid parental leave through changes to the Fair Work Act <p>Strengthened working age payments</p> <ul style="list-style-type: none"> Increased the rate of working age and student payments by \$40 per fortnight Expanded eligibility for higher rate of JobSeeker Payment for recipients aged 55 and over Expanded eligibility for Parenting Payment (Single) Increased maximum rate of Commonwealth Rent Assistance <p>Acted on disincentives to work</p> <ul style="list-style-type: none"> Implemented a temporary \$4,000 work bonus upfront credit for pension recipients Improved affordability of early childhood education and care 	<p>Addressing workplace gender segregation</p> <ul style="list-style-type: none"> Encouraging shared care by increasing the Government's Paid Parental Leave, and improving flexibility in how parents share it Establishing the National Construction Industry Forum Undertaking a Pathway to Diversity in STEM Review <p>Acting on disincentives to work</p> <ul style="list-style-type: none"> Smoothing the transition between income support and work by extending the nil rate period Supporting pensioners who are working by permanently enhancing the Work Bonus for age pensioners <p>Broadening employment opportunities for people with high support needs</p> <ul style="list-style-type: none"> Leveraging the new National Disability Data Asset Implementing a new Disability Employment Services Quality Framework Establishing a Disability Employment Centre of Excellence <p>Boosting supply of secure, affordable housing</p> <ul style="list-style-type: none"> Increasing investment in social and affordable housing through the Housing Australia Future Fund, Social Housing Accelerator and National Housing Infrastructure Facility, building housing where job opportunities are Working with states and territories to deliver 1.2 million new homes over five years from 1 July 2024, and to harmonise and strengthen renters' rights 	<p>Promote gender equality</p> <ul style="list-style-type: none"> Release a National Strategy to Achieve Gender Equality, which will include a focus on women's economic equality <p>Further address disincentives to work</p> <ul style="list-style-type: none"> Better support parents with caring responsibilities through improved access to early childhood education and care Consider further ways to support participation, including for working-age payment recipients <p>Provide high-quality supports for people with disability</p> <ul style="list-style-type: none"> Reform Disability Employment Services



9 Partnering with communities

Implemented	Underway	Future reform directions
<p>Funded a Targeting Entrenched Disadvantage package</p> <ul style="list-style-type: none"> Extended Stronger Places, Stronger People, a community-led initiative to address disadvantage through local, evidence-based solutions <p>Strengthened local First Nations community initiatives</p> <ul style="list-style-type: none"> Funded foundation skills training for First Nations people through Aboriginal and Torres Strait Islander community-controlled organisations <p>Invested in broader social policy initiatives</p> <ul style="list-style-type: none"> Supported victim-survivors of family, domestic and sexual violence; supported community sector; and supported mental health and suicide prevention research 	<p>Working towards improving outcomes</p> <ul style="list-style-type: none"> Co-designing the Outcomes Fund and delivering the Social Enterprise Development Initiative Developing a partnership with philanthropy through the Investment Dialogue for Australia's Children Developing the Life Course Data Asset to improve our understanding of how communities experience disadvantage Doubling the number of Indigenous rangers and expanding the Indigenous Protected Areas Programs by 2030 <p>Working together through policy partnerships</p> <ul style="list-style-type: none"> Scoping a First Nations Economic Partnership Identifying ways to back the social enterprise sector, and provide more employment and training opportunities for Australians facing disadvantage 	<p>Boost place-based approaches</p> <ul style="list-style-type: none"> Better align programs and delivery across governments Put data in the hands of communities and give them a say in how funding is directed, with appropriate government controls Expand the role of communities in decision-making over time <p>Partner with First Nations people</p> <ul style="list-style-type: none"> Improve progress on Closing the Gap in economic participation and development outcomes, by working in partnership with First Nations people <p>Back social enterprise</p> <ul style="list-style-type: none"> Build capacity to get people into jobs and create job pathways by supporting the growth of the social enterprise sector



10 Promoting inclusive, dynamic workplaces

Implemented	Underway	Future reform directions
<p>Strengthened protections in the Fair Work framework</p> <ul style="list-style-type: none"> Committed to amend the Fair Work Act to include subsection to family and domestic violence in the list of protected attributes Made breastfeeding, gender identity and intersex status protected attributes in the Fair Work Act <p>Made gender pay gaps visible</p> <ul style="list-style-type: none"> Legislated for the Workplace Gender Equality Agency to publish gender pay gaps of employers with 100 or more employees Banned pay secrecy <p>Supported employers to adopt new hiring practices</p> <ul style="list-style-type: none"> Co-designed entry-level work programs with employers through the Launch into Work program Launched the Carer Inclusive Workplace Initiative 	<p>Shaping outcomes through Government's purchasing power</p> <ul style="list-style-type: none"> Establishing the Secure Australian Jobs Code to ensure government procurement supports secure jobs Introducing the Australian Skills Guarantee, with targets for women on major Government projects <p>Partnering with employers</p> <ul style="list-style-type: none"> Co-developing a disability employment pilot with the Business Council of Australia Delivering a Visitor Economy Disability Employment pilot to deliver place-based employment outcomes by connecting small businesses, employment service providers and job seekers with disability <p>Improving information about experiences in work</p> <ul style="list-style-type: none"> Funding the ABS to improve data on unpaid care, job security and outcomes of employment services and income support programs 	<p>Promote innovative recruitment and job design</p> <ul style="list-style-type: none"> Encourage workplace cultural change and job co-design Expand First Nations employment opportunities in the APS <p>Improve policy evaluation and partnerships</p> <ul style="list-style-type: none"> Embed robust evaluation into policy design, especially for employment services Reform employment services to better support employers' recruitment needs Co-develop work experience principles for job seekers who are disadvantaged <p>Improve transparency on workforce diversity</p> <ul style="list-style-type: none"> Ensure data leads to change including through setting measurable targets



Endnotes

- 1 Victoria University, Projections for Jobs and Skills Australia, (2023).
- 2 Deloitte, Projections for Jobs and Skills Australia, (2023).
- 3 Victoria University, Projections for Jobs and Skills Australia, (2023).
- 4 Coates, B., Wiltshire, T., and Reysenbach, T., *Short-changed: How to stop the exploitation of migrant workers in Australia*, (Grattan Institute 2023).