



Queensland Government

Department of **Industrial Relations**

Department of **Employment and Training**

Queensland Government Submission

House of Representatives Standing Committee on
Employment and Workplace Relations

**Inquiry into employment: increasing
participation in paid work**

2003

Executive Summary

Australia, like many other western countries, is facing a decline in labour force growth over the next five decades. This decline is related to the projected decline in population growth, specifically growth in the working-age population, as well as a projected decline in the labour force participation rate. Therefore, strategies to counteract the decline in labour force growth should address both the declining growth in the working-age population and long-term participation rates.

This submission puts forward a number of different strategies that are considered important by the Queensland Government for increasing labour force participation and productivity. These strategies include education and training of the workforce, investing in labour market programs, providing family-friendly work arrangements, addressing age discrimination, and providing safe and healthy workplaces.

Education and training of the existing workforce provide opportunities for workers to enhance their skills and foster their participation in the workforce in a productive way. In addition, career information and guidance are important to help people gain and maintain work. It is suggested that the Commonwealth Government considers the need to invest in better quality and more customised career and learning services.

Providing workers with initial skills and creating opportunities for workers to move to high skilled work is also vital for a productive workforce. The Queensland and Commonwealth Governments have an important role to play in skills formation.

Many Australians do not have marketable skills and recent work experience and are therefore less able to participate and benefit from the opportunities created by economic and employment growth. Some groups in the community are particularly disadvantaged and are at risk of long-term unemployment without active intervention through targeted labour market programs.

The Queensland Government believes that the Commonwealth Government has primary responsibility for employment policy and should be investing more in active labour market programs similar to those of the Queensland Government's *Breaking the Unemployment Cycle* initiative.

The *Breaking the Unemployment Cycle* initiative, implemented in October 1998, has a strong focus on raising the labour market competitiveness of disadvantaged job seekers who are not eligible for Commonwealth Government support and also contributes to skilling the labour force. This initiative is periodically reviewed. The 2002 review showed that the cost effectiveness and employment outcomes of the programs under this initiative compare favourably to similar programs, both at a national and international level.

Balancing work and family has become an important issue for Australian families and also for government and business. The number of persons who combine work and family responsibilities has increased over the last two decades, especially as more women are participating in the labour force. Work arrangements that are aimed at helping people balance their work and family responsibilities play an important role in increasing people's ability to participate in the labour force.

The Queensland Government has made a number of commitments aimed at helping Queenslanders balance work and family responsibilities, including the establishment of a Work and Family Unit, a Ministerial Taskforce on Work and Family, pilot projects in ten workplaces to develop a family-friendly workplace measure, and a commitment to improve family-friendly workplace entitlements and protections, especially for casual employees. The Queensland Government advocates the view that national responses are required to assist people balance work and family responsibilities.

As Australia's population is ageing older workers should be encouraged to stay in the labour market. The labour force participation rate for men aged 55-64 has decreased over the last two decades. This decrease has been attributed to voluntary early retirement, and forced redundancy and retrenchment to which older workers are particularly vulnerable. Older workers also face barriers in gaining and re-gaining employment, including age discrimination. Although legislation is important in battling age discrimination, it may not be sufficient by itself. Public awareness campaigns and proactive monitoring of discrimination are deemed necessary in addressing age discrimination.

Some older workers also leave the labour force, because they have caring responsibilities. Flexible work arrangements that give these workers the opportunity to balance work and caring responsibilities are considered important to increase labour force participation rates among older workers.

Besides strategies dealing with issues affecting labour force participation and productivity, workplace health and safety should also be considered an important factor impacting on labour force participation and productivity. Work-related injury and illness cause both human suffering and economic loss. The number of working hours lost is substantial and could be reduced through improvement of workplace health and safety in Australian workplaces.

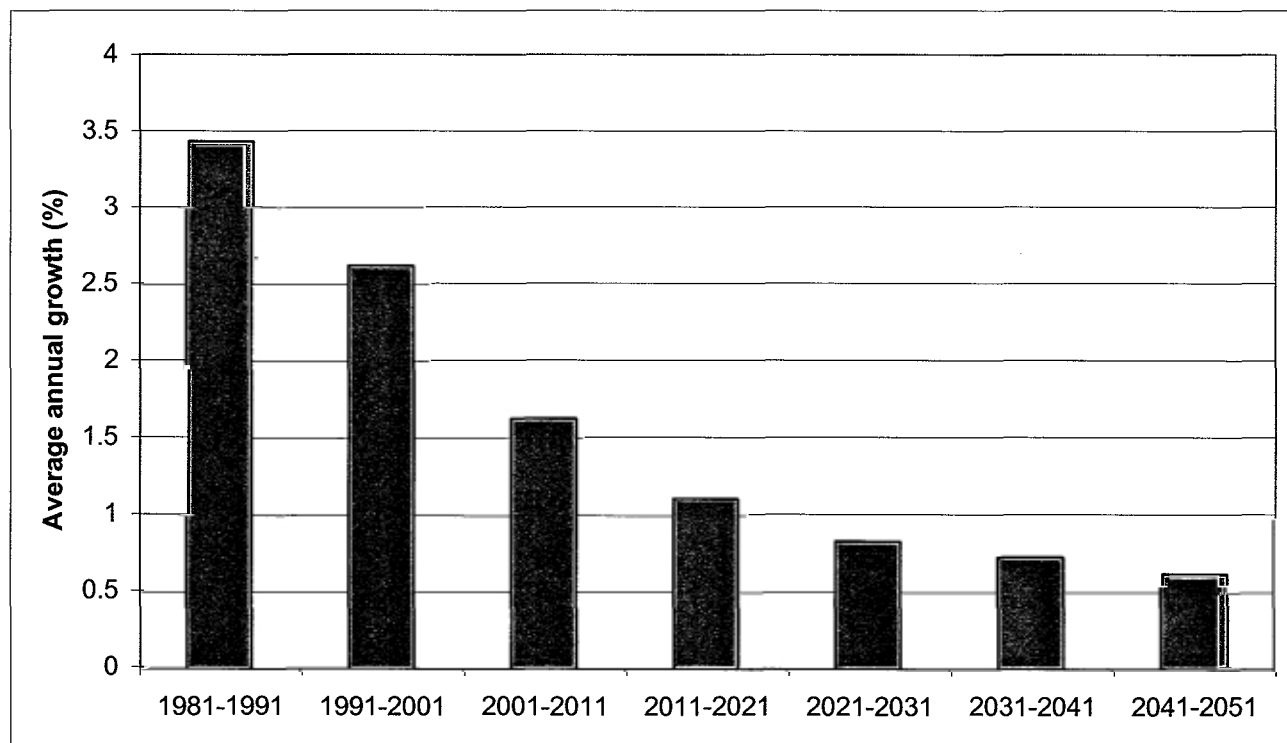
A final issue discussed in this submission is what is being done in the Queensland public service to increase labour force participation. The Queensland public service will itself be affected by the ageing workforce and initiatives are being developed to raise awareness within Queensland government departments and agencies about the potential impact of an ageing workforce. In addition, strategies to encourage extended participation of mature aged workers are being developed, including a number of flexible leave options and a guide for public service managers about options on how to encourage older workers to stay in the workforce longer.

The Public Sector Employment Program provides apprenticeships and traineeships in state and local government and community-based organisations. This initiative is contributing to the development of more skilled workers who will be able to participate in the labour force. The outcomes of this program have been positive with approximately 82 per cent of people that completed the program securing ongoing employment.

1. Labour Force Trends

In Australia and many other western countries, the composition of the paid workforce has changed significantly over the past five decades because of major social, cultural and economic transformations. One of the major challenges facing Queensland and Australia over the next five decades is the projected decline in labour force growth. Whilst labour force growth has already seen some decline over the past two decades (in Queensland averaging 3.43 per cent p.a. from 1981-1991 compared to 2.62 per cent p.a. from 1991-2001), it is expected to slow substantially in coming decades (see Figure 1). In the present decade (2001-2011), the Queensland labour force is projected to grow only by an average of 1.63 per cent p.a., less than half what it was two decades before. A further forty years out (2041-2051) the average annual growth is expected to have slowed down to 0.61 per cent.¹

Figure 1: Actual and predicted average annual labour force growth, Queensland



Source: Kinnaird (2002) using unpublished Queensland Department of Local Government and Planning projections and ABS, *Labour Force Survey, Queensland* (Cat No 6203.3)

The projected decline in labour force growth is related to the well-documented projected decline in the growth rate of the Queensland and Australian populations over the next five decades. The most important factor in this decline is the long-term decline in the fertility rate, while the consequence of this decline is a significant ageing of the Queensland and Australian populations.

¹ Workers with Family Responsibilities: Demographic Issues and Profile, RT Kinnaird and Associates, June 2002. These projections are potentially overly optimistic as they are based on the fertility rate declining to 1.7 births per woman then remaining constant and for participation rates in different age groups to maintain the levels that existed in 2001.

As well as population growth, specifically growth in the working-age population, labour force growth is also determined by changes in the labour force participation rate (that is, the proportion of population that is employed or looking for work – the labour force). Whilst the labour force participation of men has been declining for many years, until recently this has been offset by the rising participation rates of women. Since the mid 1990s, however, the rising female participation rate has not been sufficient to offset the decline of men, with the result that the overall participation rate has started to decline, although only very marginally. The consequence of this is that for the first time in many decades the average growth in the labour force is expected to fall below that of the average growth in the population, which is itself in decline.² Any attempt to address the decline in labour force growth must therefore address both the declining growth in the working age population and the currently anticipated decline in long-term participation rates.

1.1 Declining Fertility

Since the peak in the fertility rate in 1961 of 3.5 babies per woman, the total fertility rate of Australian women has been in decline. Interestingly, this has been accompanied by changes in the age profile of mothers. Between 1969 and 1979, the fertility rate declined from 2.9 to 1.9 babies per woman. This trend can be mainly attributed to a sharp decline in fertility rates of women in the younger age groups, including the 20-24 and 25-29 age groups. In the two decades after 1979, the fertility rate decreased more slowly from 1.9 to 1.7 babies per woman. During this period the fertility rate of women under 30 years continued to decline, while the fertility rate of women aged over 30 increased. Nevertheless, the increased fertility rate of older women did not compensate for the decline in fertility rate in the younger age groups.³ The shift toward older motherhood is consistent with women having their first child later in life, with the consequence that they have fewer children on average.⁴

The declining fertility rate is considered partly due to the rising cost to women of withdrawing from the workforce to bear and raise children, relative to previous generations. Attitudes towards the role of women in society have significantly changed since the 1950s, and women are now pursuing more actively education and employment opportunities. Female participation in the labour force has dramatically increased over the last five decades. In 1954, less than one in three women in Australia (29 per cent) were employed.⁵ Recent data on female participation indicates the female participation rate is currently around 55.4 per cent in Australia. In Queensland, the participation rate for females was for many years below the national average, but since the end of 1989 this has been reversed and now the Queensland female participation rate is substantially higher than the national average. Currently, at 57.2 per cent, the Queensland female participation rate is the highest of all the states, surpassed only by the Australian Capital Territory (64.7 per cent) and the Northern Territory (61.7 per cent).⁶

Women are also increasingly participating in secondary and post-secondary education and are less likely to leave their employment to interrupt their careers. The cost to these women of withdrawing from the workforce is considered to be high, both in terms of income foregone and career prospects reduced. Fertility rates appear to be inversely related to the attachment of

² ABS, *Labour Force Projections, Australia 1999-2016* (Cat No 6260.0)

³ ABS, *Australian Social Trends 2001, Family - family formation: older mothers.*

⁴ *Workers with Family Responsibilities: Demographic Issues and Profile*, RT Kinnaird and Associates, June 2002.

⁵ ABS, *Australian Social Trends 1998, Work – paid work: Trends in women's employment.*

⁶ ABS, *Labour Force Australia, July 2003* (Cat No 6202.0)

women to the labour force and rising educational attainment and income, with this relationship being strongest among young women.⁷ As a consequence, the continued increase in female participation rates in future years will contribute to a continuing decline in the fertility rate unless the loss of income and reduced career prospects can be addressed.

1.2 Ageing Population

The low fertility rate means the proportion of younger age groups in the population decreases and as a consequence the population becomes concentrated in the older age groups. This effect is intensified by increased life expectancy which has led to an increase in the average age of the Australian population. In 2002, the proportion of the population aged 0 to 14 years was estimated at 20.3 per cent, while the proportion aged 65 and over was 12.7 per cent. Assuming the fertility rate declines from its current level of 1.73 to 1.6 in 2011 where it stays constant thereafter, it is projected that the proportion of the population aged 0 to 14 years will decline to 14.0 percent in 2051, while the proportion aged 65 and over will increase to 27.1 per cent. In absolute terms, the population aged 0 to 14 years will decline by 7 per cent whilst the population aged 65 and over will increase more than 2.8 times over the next 5 decades.⁸

In Queensland, the same projections (assuming a decline in the fertility rate from the current 1.79 to 1.64 by 2011 and constant thereafter) reveal a similar pattern. While the absolute number of persons aged 0 to 14 will actually increase marginally in Queensland by around 18 per cent, the proportion they represent in the population will fall from 21.0 to 14.3 per cent. At the same time, the proportion aged 65 and over will increase from 11.8 to 26.8 per cent, which in absolute terms represents close to a four-fold increase.

1.3 Dependency Rates

The shift in the population age distribution towards older ages has significant economic implications. Public expenditure on services for older people (e.g. health and aged care) can be expected to increase, while the size of the working age population supporting these services will decrease.

The ageing of the population means an increase in the dependency ratio, which is the number of children aged 0-14 years and persons aged 65 years and over per 100 persons of working age. An increasing dependency ratio indicates that the proportion of people of working age relative to the population of non-working age is decreasing. While Australia's dependency ratio has fallen from 53.5 to 49.1 over the past 20 years, in the next 50 years the dependency ratio is predicted to increase and reach 69.8 by 2051.⁹

Between 2001 and 2051, the dependency ratio in Queensland is projected to rise from 48.8 to 69.7, although it will remain slightly below the national average over the entire period. The overall dependency ratio will rise more slowly than the growth in the population aged 65 and over, due to the projected slower growth in the younger age group (0-14 years). In Australia, the number of persons aged 65 and over per 100 persons of working age (i.e. the aged dependency ratio) is projected to more than double over the next 50 years, from 18.9 to 46.0. In Queensland, the aged dependency ratio is projected to increase from 17.5 to 45.5 over the

⁷ ABS, *Births Australia 2000* (Cat No 3301.0)

⁸ ABS, *Population Projections Australia 2002 to 2101* (Cat No 3222.0)

⁹ ABS, *Population Projections Australia 2002 to 2101* (Cat No 3222.0)

same period.¹⁰ This increase implies, among other things, an increase in the number of Queensland workers providing care for elderly family members aged 65 and over, which will impact on their labour force participation.

1.4 Labour Force Participation Rates

The future of participation rates is central to the size of the labour force and the ratio of the number of persons in the workforce to those not in the workforce. Higher participation rates mean more people in the workforce to support the dependant population in the younger and older age groups. Different age groups of males and females have historically exhibited quite different participation trends but unless there are quite stark changes in future behaviour relative to historical trends, the overall participation rate is going to trend down in the coming decades.

The *Intergenerational Report 2002-03* released by the Commonwealth Treasury in May 2002 suggests uncertainty in future trends of participation, though a downward trend in labour force participation rate is likely to occur. Projections in this report assume the participation rate of persons aged 15 to 64 years will be stable for the period 2002-2042. This is largely because increases in female participation will continue to be sufficient to offset declines in the participation of males.

According to the Commonwealth report, the participation rate for all persons aged 15 and over (including those 65 and over) is expected to remain steady until 2007-08 and then decline gradually by the second half of the 2030s. This decline reflects the increase in the proportion of persons 65 and over and their low historical participation rates.¹¹ The Commonwealth report warns, however, that even large shifts in the participation rates of older workers would not have a dramatic impact on overall participation rates. This point highlights the need to also look at the participation rates of prime-aged workers (those aged 25-54) who represent 70 per cent of the total labour force and whose participation is likely to be influenced by issues such as work and family responsibilities and skilling.

¹⁰ ABS, *Population Projections Australia 2002 to 2101* (Cat No 3222.0)

¹¹ The Honourable Peter Costello, M.P., Treasurer of the Commonwealth of Australia. *Intergenerational Report 2002-03*, Budget Paper No. 5, May 2002.

2. Current Strategies

An ageing population will result in a decreasing proportion of the population actively participating in the workforce, and as a result an increasing dependency ratio. This highlights the need to offset this trend through strategies that raise productivity growth and encourage labour force participation in order to maintain strong growth in overall living standards. This submission discusses a number of different strategies that are considered important by the Queensland Government in increasing labour force participation and productivity. These strategies include education and training of the workforce, investing in labour market programs, providing family-friendly work arrangements, addressing age discrimination, and providing safe and healthy workplaces.

2.1 Education and Training

Education and training of the existing workforce will be a vital component of future strategies to ensure that existing workers have the opportunity to continue to participate productively in the workforce.

While existing workers, including mature age workers, have a wide range of skills that have been acquired through long-term workforce participation and training, the task of continually upgrading the skills of existing workers should not be underestimated. The rapidly changing workplace, the pace of globalisation and technological advancements mean that workers will need to be provided with opportunities to enhance their skills throughout their working lives.

2.1.1 Training and decent work

Decent work is an important component in attracting people into work, and supporting their continued employment. Decent work is fair, sustainable and productive work that enables workers to pursue rewarding career paths, higher wages and an improving standard of living.

An International Labour Organisation report maintains that "...a job that does not provide training opportunities cannot be considered decent ... Vocational training is a fundamental human right and must be considered as such, along with other rights that have to be respected in decent work; but at the same time it is an instrument that facilitates and sometimes conditions the attainment of other rights that are also part and parcel of decent work".¹²

For individuals, there is an established link between education and training on the one hand, and employment and earnings on the other. In May 2001, the unemployment rate for persons with no post-school qualification was 11.2 per cent compared to 7.1 per cent for those with post-school qualifications.¹³

Despite the centrality of education and training to employment policy, it should be recognised that education and training cannot solve all employment-related problems. Education and training is a necessary condition for employment growth and the reduction of unemployment, but cannot create jobs by itself. Similarly, skills development is a necessary part of decent work, but many other conditions must also be guaranteed.

¹² International Labour Organisation 2001. *Decent work and vocational training*. Inter-American research and Documentation Centre on Vocational Training.

¹³ Labour Market Research Unit: Department of Employment and Training, 2003. *The Queensland labour market: a statistical overview*. Unpublished paper.

Good quality learning and career information and guidance is an important component of helping people gain and maintain work. Over the last few decades, the decisions that adults need to make about their jobs and careers have become more complex. It is well established that individual guidance in job-related planning and decision-making, and advice about learning and career options is key in getting people into work and helping them stay in work.

Better career and learning advisory services, which are part of a 'one-stop shop' of co-located unemployment assistance services, has been adopted by many OECD countries in the drive to reduce structural unemployment and tackle long-term unemployment.

The Queensland Government recognises the importance of this assistance mechanism and continues to invest in a wide range of career guidance advice and information services including, face-to-face counselling, on-line and telephone advice, targeted programs to develop job skills and improve the 'job readiness' of unemployed people.

The Commonwealth Government should consider the need to invest in better quality, more customised career and learning services. Consideration should be given to providing jobseekers with an individualised and expert service that includes the identification of existing skills and knowledge, a learning needs analysis and the development of a learning and employment plan.

2.1.2 Skills formation

In Australia there is a growth in high-paid jobs, but low growth in the broader range of jobs at an intermediate level.¹⁴ It's important to capitalise on the development of new jobs related to technology and knowledge work through equipping a high skilled workforce. However, the decrease in the number of workers with intermediate skills creates a polarising effect, decreasing opportunities for people to move from low skilled to high skilled work.

Additionally, research suggests that those countries that have a spread of intermediate-skills and high-level skills are the ones that have highest productivity.¹⁵ The challenge for the Queensland and the Commonwealth Governments is to ensure that workers have the opportunity to gain initial skills, and that a significant number of workers with intermediate skills are able to move into the high-level skills cohort.

The dichotomy between high and low skills illustrates the interdependence of skills formation with other policies for economic growth and industry structure. Skills formation policies need to be developed as an integrated component of a wider policy framework that includes economic policies such as industrial relations, trade, competition and taxation policy.

The Commonwealth Government has an important role to play in leading an integrated view of skills formation that includes other policy agendas that influence the economy and industry structure.

¹⁴ BVET, 2000. *Beyond flexibility: skills and work in the future*.

¹⁵ For example, *21st Century Skills: Realising our potential; Individuals, Employers, Nation* which was released by the Blair Government in 2003, reports the imperative to build their intermediate skills profile. This report attributes the higher productivity rates of French, German and US workers to the fact that the workforce has high intermediate skills levels as compared with Britain.

2.2 Labour Market Programs

The decline in labour force growth will not lead inevitably to a reduction in unemployment levels. For instance, it is noted that long-term unemployment has a self-reinforcing character. This means that the longer the period of unemployment, the harder it is to find work. This trend has meant that the pool of long-term unemployed has persisted even in times of economic recovery and in the presence of good education and training opportunities. In this context there is a need for labour market programs which can assist Australians who do not have marketable skills and recent work experience to participate and benefit from the opportunities created by economic and employment growth.

2.2.1 The case for labour market programs

Unemployment is unacceptably high and remains a significant barrier to achieving economic prosperity and maintaining social cohesion. While Australia has experienced a prolonged period of relatively strong employment growth, the national unemployment rate remained high at 6.0 per cent in August 2003 (trend data), while Queensland's unemployment rate stood at 6.7 per cent.¹⁶ Queensland's unemployment rate remains stubbornly high despite the State continuing to lead the nation in job creation, recording an annual employment growth rate of 3.1 per cent to August 2003 compared to 1.7 per cent nationally. Major factors that contribute to Queensland's unemployment rate are the State's continuing high population growth, fuelled by high interstate migration and a labour force participation rate that has consistently exceeded the national average in recent years. Added to this is the apparent mismatch of skills possessed by job seekers with skills in demand.

Of particular concern is the number of Australians who are long-term unemployed (i.e. unemployed twelve months or longer). In June 2003, 22.1 per cent of unemployed Australians were long-term unemployed. The equivalent figure for Queensland was 18.8 per cent.

The official unemployment rate derived from the Australian Bureau of Statistics labour force survey does not accurately portray the magnitude of unemployment, as it does not reflect the extent of hidden unemployment by taking into account discouraged job seekers. In 2000, there were an estimated 436,300 Australians who were underemployed, while the number of discouraged job seekers was estimated at 106,500 persons.¹⁷

A further characteristic of unemployment is the marked spatial variations in unemployment rates giving rise to the co-existence of pockets of persistently high unemployment in some regional and urban areas alongside areas of relatively low unemployment. This phenomenon is pronounced in Queensland where the dispersion of the population and labour force is more decentralised than other states and thus demands a mix of responses including targeting pockets of high unemployment.

The contemporary labour market is also characterised by the contradictory existence of skill shortages in many skilled and professional occupations alongside entrenched unemployment. It is evident that there is a significant mismatch between those seeking employment and actual demand.

Many Australians do not have marketable skills and recent work experience that enables them to successfully compete for the substantial stock of new jobs that are being created. Some groups in the community are particularly disadvantaged and without active intervention

¹⁶ ABS, *Labour Force, Australia prelim, June 2003*. trend series 6202.

¹⁷ ABS, *Measures of Labour Underutilisation*, February 2002.

through targeted labour market programs, they will remain at risk of experiencing prolonged periods of unemployment that will further entrench their poor prospects of obtaining and retaining a job.

The inexorable conclusion that can be drawn from recent labour market experiences is that economic and employment growth alone do not enable all sections of the community to participate and benefit from the opportunities that arise. As the opening section of this submission has identified there are substantial underlying trends emerging that affect the labour market and have implications for the national economy. There are resultant significant challenges involved in managing the labour market that will demand an array of short and long-term policy responses, particularly at a national level. Of immediate concern is the current unemployment rate.

The Queensland Government subscribes to the view that the Commonwealth Government has primary responsibility for employment policy, including measures to reduce the unemployment rate and raise the labour market competitiveness of those in the community who are least competitive. The Queensland Government also believes that the Commonwealth Government should be investing more in active labour market programs similar to those that comprise the Queensland Government's *Breaking the Unemployment Cycle* initiative.

It is acknowledged that recent changes arising from the *Australians Working Together* policy framework and the latest round of the Employment Services Contract have gone some way to addressing deficits in existing arrangements. The new arrangements broaden the eligibility for individuals that allows earlier access to both training and employment services and greater customisation of assistance. These changes will mostly benefit recipients of Commonwealth Government income support. Further effort is needed to assist jobseekers who are ineligible for income support.

Notwithstanding the beneficial impact of recent changes to Commonwealth arrangements, the primary focus of the Job Network remains concentrated on job matching of job-ready individuals. Labour market responses aimed at those who are marginally attached or outside of the current labour market are needed if these groups are to become competitive in the job market. Disadvantaged job seekers are very unlikely to be able to secure a job quickly, if at all, unless extensive remedial assistance is provided and strategies are tailored to assist marginalised communities.

Flexible program tools are needed to respond to pockets of high unemployment in urban and regional communities. Many of these communities are inevitably caught in a spiral of socio-economic decline with increasing crime, substance abuse, low educational attainment and poor health. These unemployment 'hot spots' must be specifically targeted through flexible responses supported by policies aimed at stimulating employment and economic growth. The Queensland Government is using a place-focused approach to the delivery of government programs, which incorporates direct community involvement. Communities are not homogenous and consequently do necessarily respond to a "one size fits all" prescription.

2.2.2 Queensland's labour market programs

Implemented in October 1998, the *Breaking the Unemployment Cycle* initiative comprises a suite of labour market programs that aimed to create over 56,000 apprentice, trainee and job placement opportunities over six years at a cost of \$470 million. This commitment is easily the largest in absolute and relative terms, of any state or territory. The initiative was

developed in the context of the Commonwealth's withdrawal from many established national labour market services and programs. Queensland's programs have been developed and are delivered, in modes that are intended to complement the Commonwealth's efforts.

The initiative has a strong emphasis on raising the labour market competitiveness of disadvantaged job seekers who are not eligible for Commonwealth assistance and contributes significantly to skilling the labour force, particularly through apprenticeship and traineeship places. In this context, the initiative bolsters and is supplementary to an integrated mix of policy responses that include facilitating an environment conducive to private sector investment and employment growth, diversifying the State's industry composition, growing exports, a systematic and strategic approach to infrastructure development aimed at direct job creation and providing a catalyst for growth, and raising the skills profile of the labour force through education and training through strategies such as the State's *Queensland – The Smart State*. The initiative is periodically reviewed to ensure that it remains responsive to the dynamic contemporary labour market.

As at 30 June 2003, 58,247 apprentice, trainee and job placements had been created through the *Breaking the Unemployment Cycle* initiative, exceeding the 56,000 target one year earlier than anticipated. A total of 74,112 people had been assisted under the initiative at 30 June 2003.

The *Breaking the Unemployment Cycle* initiative currently comprises the following programs:

- Community Jobs Plan. This program funds community and public sector organisations to employ long-term unemployed people and those at risk of long-term unemployment for periods of three to six months on a range of public works, community and environmental projects. Projects must be of benefit to the broader community with an emphasis on participants gaining training, competencies and work skills in such activities that will lead to employment opportunities relevant to local employer needs.
- Community Employment Assistance Program. Community and public sector organisations can be funded up to a maximum of \$60,000 to assist long-term unemployed people and those at risk of long-term unemployment finding work. The assistance provided may include literacy and numeracy assistance, living skills, vocational training, work experience, job search and job placement assistance.
- Public Sector Employment Program. The program aims to create additional apprenticeship and traineeship opportunities in public sector agencies including State departments and statutory authorities, local governments and Aboriginal and Torres Strait Islander Community Councils. It also funds School Based Traineeships and Apprenticeships, which supports the transition from school to work by allowing students (typically years 11 and 12) to achieve a senior certificate while they train in an industry area to achieve nationally recognised VET qualifications.
- Private Sector Employment Program. Under this program an incentive is payable to eligible private sector employers and group training organisations to employ additional apprentices or trainees in industries suffering skill shortages and growth industries that are crucial to the development of the State's economy.
- Housing Industry Trade Training (Plus) Scheme. This program is aimed at providing apprenticeship and traineeship training and employment in the public housing sector through the allocation of public sector housing projects to participating group training organisations. The Commonwealth Government has significantly tightened funding

for public housing construction over the past two years. As a consequence, the Department of Housing has very limited stock of new construction projects and is not able to allocate sufficient work to sustain the program beyond 2003-04. Accordingly, this program will cease at 30 June 2004.

- Start Up. A reimbursement of up to \$300 for the purchase of specialised work equipment, such as tools and protective equipment for new apprentices and trainees employed in identified skill shortage or growth industry areas.
- Worker Assistance Program. The Worker Assistance Program is an early intervention labour market program aimed at assisting workers who are displaced, or about to be displaced, due to large scale or regional retrenchments, to make the transition to alternative employment.
- Experience Pays. This three year program, that was introduced in the current financial year, seeks to boost the job opportunities of long-term mature-aged job seekers through the provision of a \$4,000 wage subsidy to industry to employ more than 450 job seekers aged 45 and over per annum for a period of twelve months.
- The Back to Work Program. Introduced in the current financial year, this program aims to assist job seekers over 45 years of age (who have been unemployed for at least three months) to undertake job search training and introductory training in information technology in order to increase their chances of securing employment. The program seeks to assist 1,000 eligible persons per annum.
- State Government Building and Construction Contracts – Structured Training Policy (10% Training Policy). The Policy is part of the Queensland Government's State Purchasing Policy. The policy requires that 10% of the total labour hours on any Queensland Government building and construction project over a prescribed threshold (\$250,000 for building projects and \$500,000 for civil projects) be undertaken by apprentices, trainees and cadets or be used to upskill a capped number of existing workers.
- Building Construction Industry Training Fund. Established in 1999 the program capitalises on existing industry investments in the Portable Long Service Fund. The amount allocated to training is equivalent to 0.05 per cent of the cost of building and construction work used to calculate the portable long service levy each financial year. The fund provides incentive payments to employers who take on additional apprentices and trainees in industry areas identified as experiencing skill shortages and low apprentice and trainee intakes.

Other programs include:

- The Indigenous Employment Policy. This policy requires 20 per cent of the labour hours in State Government Indigenous building and construction infrastructure projects in designated communities to be completed by local Indigenous employees.
- The Community Training Partnerships Program. This program is a component of the State Government's *Smart State* initiative. It specifically aims to increase access to vocational education and training by people who do not currently participate in training and to deliver training in modes suited to the needs of this group. Unemployed persons are a key target group of the program. To achieve this objective, the program helps communities to identify their current and future employment needs aligned to economic and social development, and to purchase the appropriate training.

For a more detailed overview of these programs, see **Attachment 2**.

2.2.3 Achievements

The *Breaking the Unemployment Cycle* initiative is periodically reviewed to enable continuous improvement in responsiveness to contemporary labour market conditions, including altering the mix of programs where evidence indicates that new approaches are necessary to leverage optimum outcomes. The first review conducted in 2000 resulted in modifications that have improved program targeting and administrative systems. A further review was conducted in 2002, with input from an interdepartmental steering group and a panel of nationally recognised labour market experts.

The 2002 review found that the cost effectiveness of these programs and ongoing employment outcomes it achieved, compare very well with similar programs at both the national and international level. For example, close to 55 per cent of participants in the Community Jobs Plan and 60 per cent of participants in the Community Employment Assistance Program have found ongoing employment. These outcomes compare favourably to Commonwealth Government programs where less than a quarter of participants from the Work for the Dole Scheme, 40 per cent from the Intensive Assistance Program and 39 per cent from Job Search Training Program secure ongoing employment. The initiative's Public Sector Employment Program has achieved ongoing employment outcomes for 82 per cent of persons who completed their traineeship, which compares favourably with national traineeship figures, particularly given the high proportion of Indigenous and other disadvantaged participants in the program.

The 2002 review found that a major contributing factor to the success of the initiative was the effect of voluntary participation in programs under the initiative. In contrast, participation in many Commonwealth programs is obligatory for some groups of income support beneficiaries, as part of a mutual obligation philosophy. Generally, voluntary participants are more motivated than mandatory participants and hence post-program outcomes can be expected to be higher than programs where participation is mandatory. Some submissions from community groups to *Building simpler systems to help jobless families* indicate that many income support recipients perceive the Commonwealth system as punitive and where the individual is "blamed" for welfare dependency and coerced into mutual obligation activities.

Another key success factor of the *Breaking the Unemployment Cycle* initiative is that the programs provide wider community benefits. This is partly due to the relationship with a broad range of organisations in delivering the various programs. The skills, capacity and resources of more than 450 government agencies, councils, Indigenous and community organisations across the state are involved in delivery of assistance to job seekers. Rather than the programs offering 'standard' solutions or products to meet the needs of job seekers wherever they are, communities and agencies across the state have been engaged to develop their own responses that meet local needs. By engaging and supporting these organisations, the programs have also been able to utilise local expertise, knowledge and resources.

The 2002 review of the initiative found that over 80 per cent of project sponsors (i.e. community organisations, local authorities etc.) identified that employment projects had delivered wider economic benefits to their community.

The initiative is increasingly focussed on place-based approaches that are aligned to strategic priorities for the State. Approached in this way, the initiative can be used to target locations, disadvantaged groups and simultaneously support the achievement of strategic priorities. For

example, there are currently fifteen designed Community Renewal communities across the State that are characterised by high levels of public housing rentals, welfare dependency and unemployment. Community action plans for each contains strategies for local skilling and employment development. Community Employment Programs have contributed \$2,112,496 in grants to assist residents of these communities to acquire skills and enhanced labour market competitiveness and at the same time, contribute to improving the social dynamics of their communities.

It is abundantly apparent that many unemployed people do not possess skills in demand. By linking the *Breaking the Unemployment Cycle* initiative to emerging job opportunities in regional growth centres, opportunities for local unemployed people are being created. The Central Queensland Training and Employment Strategy is a current example of an integrated regional strategy. Through the collaborative efforts of State agencies, industry and unions, the strategy is providing local people with pre-vocational and job ready skills required to secure apprenticeships in engineering or manufacturing and fast tracked training opportunities combined with recognition of prior learning. Centred around the burgeoning industrial centre of Gladstone, the integration of program activity with a regional growth strategy is providing additional opportunities for unemployed people that would otherwise have remained elusive.

2.2.4 Assistance to Indigenous Queenslanders

The Queensland Government is committed to the objective of raising the economic and social well being of Indigenous people. Improving employment opportunities for Indigenous people and increasing their participation in vocational education and training are two pivotal strategies to achieve this objective.

The *Indigenous Employment Policy for Queensland Government Building and Construction Contracts* (the "Indigenous Employment Policy") was implemented in May 2001. It is a direct response to the high unemployment rate of Indigenous Queenslanders and their comparatively low participation in vocational education and training, particularly in rural and remote locations. The Policy applies to state government contracts for built and civil construction in the 32 Deed-of-Grant-in-Trust communities and the shires of Aurukun, Torres and Mornington. A minimum of 20 percent of the on-site construction labour force must comprise local Indigenous residents and half of this group must undertake approved training, which may include apprenticeships and traineeships. It is mandatory for agencies and contractors to comply with these requirements in respect of contracts for built construction valued at \$250,000 or more while there is no monetary threshold for civil construction projects. As from 1 January 2004, the monetary threshold for built construction contracts will be \$100,000 and will include projects funded by State grants.

The Department of Employment and Training has appointed 10 Indigenous Employment and Training Support Officers who provide culturally appropriate one-to-one mentoring and support to individuals undertaking formal training with the objective of increasing completion rates. These Officers are also undertaking skills audits of communities to determine local employment and skills development needs including to support the Indigenous Employment Policy.

The Aboriginal and Torres Strait Islander Public Sector Employment Development Unit (Wal – Meta) began operations in July 2001. The unit is establishing benchmarks for recruiting, training and retaining Indigenous staff in the Queensland public sector, with a target to

achieve 2.4 per cent representation of all employees at all classification levels in the public sector by 2010.

Employment programs under the Government's *Breaking the Unemployment Cycle* Initiative, established in 1998, have had a strong Indigenous focus. For the two major programs targeting disadvantaged jobseekers, 19 per cent of participants in the Community Jobs Plan and 13 per cent of participants in the Community Employment Assistance Program have been Indigenous. In addition, more than 2,000 Indigenous apprentices and trainees have been employed since 1998 under the Public Sector Employment Program and provided with mentoring support through a network of Indigenous Training and Employment Support Officers.

The Cape York Training and Employment Strategy, established in 2002, is being piloted to provide much more flexible and responsive training in Cape York. It allows Indigenous communities to have maximum involvement in decision-making in implementing training and employment programs in communities in the Cape. Community training plans are being developed through community negotiation, and public training funds are being pooled into one source of funds.

2.3 Industrial Relations

The extent of the predicted slowdown in labour force growth and the increase in the ratio of persons in the labour force to those of non-working age will depend on future trends in labour force participation. It has become clear that there is no simple solution to the complex issues facing business and the economy in relation to labour supply. Education and training of the workforce and labour market programs are important strategies in providing opportunities for people to participate productively in the workforce. Two other strategies to increase labour force participation are helping persons, in particular women, with family caring responsibilities to participate in paid work and encouraging persons of retirement age to remain in the workforce longer.

2.3.1 Workers with family caring responsibilities

Workers with family caring responsibilities are generally defined as those working as employees and who have a child under 15 years of age, as well as anyone who cares for someone else such as an aged parent, where this care is not part of their paid work. In October 2002, an estimated 518,700 persons with caring responsibilities were in paid employment,¹⁸ representing 29.2 per cent of the total number of persons employed.¹⁹

The number of persons who combine work and family responsibilities has increased during the last two decades. The prevalence of families with at least one child with a father in full-time employment and the mother at home has decreased from 30.1 per cent in 1996 to 19.7 per cent in 2001. In 23.9 per cent of all two-parent families with at least one child, both parents work full time.²⁰ The majority of women (52.8 per cent) in Queensland have caring responsibilities and with more women participating in the labour force, balancing work and family responsibilities has become an important issue.

¹⁸ ABS, *Queensland State Supplementary Survey: Managing paid employment and unpaid caring responsibilities*, October 2002 (Cat No 4903.3)

¹⁹ ABS, *Labour Force Australia. Labour Force Status (aged 15 and over) – States and Territories: Original Queensland* (Cat No 6202.0)

²⁰ ABS Census 2001

2.3.2 Family friendly workplace arrangements

The 2001 census data shows 64.8 per cent of women in couple relationships with a youngest child under the age of 20 were in the labour force. However, this average participation rate hides a high degree of variability in participation, with women with younger children having a lower participation rate than those with older children. For women in couple relationships with a youngest child under 5 years of age, the labour force participation rate was significantly lower than the average at 51.4 per cent. This rate rises dramatically to 69.7 per cent where the youngest child is 5 to 9 years old. Once the youngest child is 10 years or older, the increase in the participation rate tends to plateau. Where the youngest child is 10 to 14 years the participation rate is 76.0 per cent and for women with a youngest child 15 to 19 years it is only marginally higher at 77.8 per cent.

Compared to mothers in couple relationships, lone mothers have substantially lower rates of employment.²¹ Data from the 2001 census shows that the employment rate of lone mothers with a youngest child under 20 years old was 47.2 per cent compared to 61.6 per cent for couple mothers. This gap is greatest when the youngest child is young and decreases as the age of the youngest child increases. When the youngest child is between 0 and 4 years the employment rate for lone mothers and couple mothers was 29.7 per cent and 48.1, respectively. However, when the youngest child is aged 15 to 19 years, the difference is much smaller with employment rates of 68.0 and 75.2 per cent, respectively.²²

Table 2: Participation and employment rates of mothers with children

Youngest child	Lone Mothers		Couple Mothers	
	Participation rate (%)	Employment rate (%)	Participation rate (%)	Employment rate (%)
0-4	40.1	29.7	51.4	48.1
5-9	58.9	47.9	69.7	66.0
10-14	65.4	56.1	76.0	72.9
15-19	75.9	68.0	77.8	75.2
0-19	57.2	47.2	64.8	61.6

Source: Unpublished data ABS *Census 2001*

Important issues for such workers, particularly for workers with children under five, include access to affordable quality childcare and working arrangements that assist them to meet their caring and work responsibilities. Besides the considerable number of workers who care for children, the ageing of the population means that there will be an increasing number of workers with caring responsibilities for aged relatives in the future. Therefore, addressing the needs of workers with caring responsibilities, either for children or older people, is necessary if rates of labour force participation and attachment are to be maximised.

²¹ We focus here on employment rates rather than participation rates because lone parents are much more likely to be looking for work and so be recorded as unemployed (thus distorting their participation rates) compared to couple parents who are less likely to look for work if they think none is available (that is, more likely to be discouraged workers and thus not in the labour force).

²² Gray, M., Qu, L., De Vaus, D., and Millward, C. (2002). *Determinants of Australian mothers' employment: an analysis of lone and couple mothers*. Australian Institute of Families Studies, Research paper no 26.

The Queensland State Supplementary Survey,²³ conducted in October 2002, showed that of carers who were in paid employment 34.6 per cent had used working arrangements that enabled them to provide care. The most common work arrangement used by employees was paid leave (45.8 per cent), followed by flex-time, rostered days off, or time off in lieu (39.2 per cent), informal arrangements with the employer (27.3 per cent), temporarily reduction of hours (16.1 per cent), working from home (15.9 per cent) and unpaid leave (15.7 per cent). An estimated 13.2 per cent of carers in paid employment wanted to make more use of working arrangements to provide care for another person. Working arrangements that people wanted to use more included flexi-time, rostered days off, or time in lieu (46.4 per cent), paid leave (33.1 per cent), and working from home (17.7 per cent). The most common reasons mentioned for not making more use of these arrangements were not having the adequate working arrangements in place and work commitments.

An important issue that should be highlighted is that while women comprise 45.1 percent of employed persons in Queensland, they supply only 37.4 per cent of the hours worked, as shown in Table 3. With the projected decrease in labour supply as a result of a decline in labour force growth, there is clearly the capacity for women to increase their working hours.

The majority of part-time workers are women. In September 2002 there were 2,625,000 part-time workers, of which 71.5 percent were women. The majority of part-time workers, both men and women, did not want to work more hours. However, 22 per cent (589,800 persons) indicated that they did want to work more hours. The proportion of part-time workers who wanted to work more hours was higher among men (30.3 per cent) compared to women (19.4 per cent). Fifty-one per cent of part-time workers who wanted more hours had actually been looking for work with more hours. Among the reasons that they had failed to find work with additional hours were unsuitable work hours, difficulties finding child care, and other family responsibilities. It appears that difficulties in combining work with other commitments, including family-related commitments, did play a role in people not being able to get the additional hours they were willing to work.²⁴ Flexible work arrangements could make it easier for these workers to increase their hours of participation in the labour force.

Table 3: Queensland employment by sex, May 2003

	('000s)	(%)
Persons employed		
Males	997.0	54.9
Females	817.9	45.1
Total	1814.9	100.0
Hours employed		
Males	37808.8	62.6
Females	22556.3	37.4
Total	60365.1	100.0

Source: ABS Labour Force Survey May 2003 (Cat. No. 6203.0)

2.3.3 Work and family: a women's issue?

Since the 1970's there have been major changes in community views about parenting and the roles of fathers and mothers. There has been an increasing expectation that fathers will be more involved in parenting than has been traditionally the case and an acceptance that

²³ ABS, *Queensland State Supplementary Survey: Managing paid employment and unpaid caring responsibilities*, October 2002 (Cat No 4903.3)

²⁴ ABS, *Underemployed workers, September 2002* (Cat No 6265.0)

parenting is an important role for both parents. International research has shown that the most important influence on a father's relationship with his children is his working pattern and that both fathers and their children benefit from work arrangements that allow them more time together.²⁵ As fathers are increasingly encouraged to become more involved with their children, the issue of balancing work and family responsibilities has become more of a concern to both male and female workers.

Although work and family issues should be of a concern to both men and women, cultural barriers in the workplace and the community have traditionally prevented men from being encouraged to access working arrangements for parenting or family reasons. Research has shown that there is little evidence that the age of a man's children makes a difference to the hours he spends at work.²⁶ This indicates that men's work patterns do not change significantly when they become fathers, while women are more likely to work part-time or not at all when their children are very young. However, recent research has indicated that being an involved parent is becoming increasingly important for fathers and that a major barrier to being involved are commitments to paid work.²⁷ In 2001, the Australian Institute of Family Studies conducted a research using information from interviews with 47 families about work and family life. Many of the interviewed fathers saw their work as having an important impact on the time they spent with their children. There were a number of specific aspects of their work that they felt impacted on their ability to spend time with their children, including the lack of support of their workplace and/or working conditions for their family commitments. Some fathers felt they were expected to make a choice between their work and family.²⁸

2.3.4 Government initiatives to balance work and family

The Queensland Government recognises the complex interplay between work and family lives. In the *Putting People and Workplaces First* and *Queensland Families First* policy documents the Queensland Government made a number of commitments aimed at helping Queenslanders balance work and family, including the establishment of a Work and Family Unit, a Ministerial Taskforce on Work and Family, pilot projects in ten workplaces to develop a self-assessment measure for organisations to evaluate their 'work and family' policies, and a commitment to improve family-friendly workplace entitlements and protections, especially for casual employees.

The Work and Family Unit was established in July 2001 and provides promotional, consultancy and liaison services to the private and public sectors and undertakes research and policy development on work and family. The Unit is currently involved in a research project, *Work and Family Project - Pilot Program*, in collaboration with the University of Queensland. The project entails the development of a self-assessment measure for organisations that allows them to evaluate and improve their 'work and family' policies and practices. The measure examines employees' awareness of policies, the importance of these policies to them and the work culture of their workplace. The measure will be tested in at least ten different Queensland organisations. Moreover, the study examines organisational factors

²⁵ Thornwaite, L. (2002). *Work-Family Balance: international research on employee preferences*. Working paper 79 presented at the Working Time Today Conference.

²⁶ Hass, L., Hwang, P., Russell, G. (2002). *Gender equity and organisational change: international perspectives on fathers and mothers at the workplace*. Thousand Oaks: Sage.

²⁷ Russell, G., Barclay, L., Edgecombe, G., Donovan, J., Habib, G., Callaghan, H. & Pawson, Q. (1999). *Fitting fathers into families*. Department of Family and Community Services, Canberra.

²⁸ Hand, K. & Lewis Virginia (2002). Father's views on family life and paid work. *Family matters*, 61.

that might facilitate or impede the use of work and family policies via case study research. The *Work and Family Project* has gained considerable attention with organisations approaching the project managers and offering their participation in the project. This interest by organizations seems an indication that working arrangements to balance work and family is important for business. To date the pilots have commenced in eight organisations. The project is due to finish at the end of 2004 and the self-assessment measure will be made freely available to organisations via the Work and Family Unit's website.

The Ministerial Taskforce on Work and Family was established in November 2001 to consider work and family issues, examine the current framework for addressing these issues and find solutions to achieve a better work and family balance by developing a family-friendly action plan for Queensland. The Taskforce is made up of representatives from unions, employer organisations, government, and independent experts. It has undertaken a public consultation process to identify issues related to work and family that are important to employees and employers. The importance of work and family issues was highlighted by the interest in the public consultations. The Taskforce received 64 submissions and had nearly 100 attendees, representing both individuals and organisations, at the stakeholder forums that were held throughout Queensland. Some of the main issues that were raised during the public consultation process included:

- The low and declining fertility rate in Queensland and Australia. A number of reasons for this decline were proposed, including financial considerations, difficulties in accessing care arrangements, and workplace and career disadvantages experienced by women as a result of having children.
- The limited choices available to persons with caring responsibilities to accommodate their work, lifestyle and family obligations. These choices are restricted by limited access to part-time or other work arrangements that suit family responsibilities, financial disincentives to work (i.e. loss of federal government transfer payments), and the high costs and limited access of childcare, elder care and disability care services.
- Disadvantages among specific groups of people in obtaining and participating in work. These disadvantaged groups include caregivers, women, families in rural areas, and indigenous groups.

Although the consultations were held throughout Queensland, it is likely that these issues are relevant to all Australians. The Queensland Government advocates the view that national responses are required to assist people balance work and family responsibilities.

In December 2001, the *Industrial Relations Act 1999* amendments introduced a work and family package, giving long term casual employees (with more than 12 months service) access to unpaid parental leave, adoption leave, carer's leave and bereavement leave as well as access to unfair dismissal provisions for grounds relating to family responsibilities. Previously, casual employees with two years service had access to unpaid maternity leave only. The Queensland Government was the first in Australia to extend these entitlements to casuals with 12 months continuous service.

2.3.5 Older workers

Encouraging workers of retirement age to stay longer in the labour market is another strategy to increase labour force participation. The labour force participation rate for men aged 55 to 64 years has decreased over the last 2 decades. Between 1979 and 2000 this rate fell from

69.5 to 61.5 per cent. In the same period there has been an upward trend in the labour force participation rate for women in the same age group, which increased from 20.3 to 36.3 per cent.²⁹ These trends in male and female participation rates are not restricted to Australia, but are universally recognised. Despite the upward trend in the labour force participation of women close to retirement age, it is still much lower than that of men. In 2002, women between 55 and 59 years had a participation rate of 51 per cent, while this was 72 per cent for men. For persons aged 60 to 64, the participation rate for women was 24 per cent compared to 47 per cent for men.³⁰

The decrease in the labour force participation of men has been mainly attributed to two factors: voluntary early retirement and forced redundancy and retrenchment. Australia has a culture of early retirement, with surveys indicating that over 75 percent of males and 95 percent of females intend to retire from full-time work before age 65. More than 50 per cent of women intend to retire from full-time work before the age of 45.³¹ The trend to early retirement among men aged 55 to 59 is stronger in Australia compared to other OECD³² countries.³³ Although there is a culture of early retirement in Australia, retirement is not always by choice. Research has shown that older workers are particularly vulnerable to downsizing and restructuring. As a consequence, some older workers might take voluntary redundancy packages because of the uncertainty of their jobs.

The unemployment rate among men aged 55 to 64 has increased from 3.1 in 1979 to 4.9 per cent in 2000. For women in this age group the unemployment rate has been stable, increasing by only 0.1 per cent in the same period. Although the unemployment rate of older people is relatively low, there is a high incidence of long-term unemployment among older workers. Unemployment is generally considered long-term when it lasts more than 12 months. In 2000, men aged 55 and over comprised 45.5 per cent of all long-term unemployed men aged over 15 years. For women this proportion was much larger (56 per cent), indicating that older women are particularly vulnerable to long-term unemployment.³⁴

In the context of a declining participation rate and high incidence of long-term unemployment among older workers, there is a need to address the issues relevant to these trends. Two of these issues, age discrimination and work and family balance, are discussed in the following sections.

2.3.6 Age discrimination

Older workers who are looking for work often face barriers to gaining and re-gaining employment that may discourage them from continuing to seek employment. One of these barriers is in fact old age itself, which is seen by older job seekers as a major impediment in gaining employment. Age discrimination legislation was introduced in all Australian states and territories in the 1990's, but no national law banning age discrimination has been

²⁹ Encel, S. (2003). *Age can work: the case for older Australians staying in the workforce*. A report to the Australian Council of Trade Unions and the Business Council of Australia.

³⁰ ABS, *Labour Market Statistics, Australia 2003*. Information paper.

³¹ Encel, S. (2003). *Age can work: the case for older Australians staying in the workforce*. A report to the Australian Council of Trade Unions and the Business Council of Australia.

³² Organisation for Economic Co-operation and Development

³³ House of Representatives Standing Committee on Employment, Education and Workplace relations. *Age counts: An inquiry into issues specific to mature-age workers*. June 2000.

³⁴ Encel, S. (2003). *Age can work: the case for older Australians staying in the workforce*. A report to the Australian Council of Trade Unions and the Business Council of Australia.

established yet. On 26 June 2003, the Commonwealth government introduced its long awaited *Age Discrimination Bill 2003* to the House of Representatives. The Bill covers age discrimination in a wide variety of areas, including work. Although legislation should be considered an important step in banning age discrimination, various countries that have well-established age discrimination laws have observed that the legislation has had little effect on patterns of retirement. Furthermore, research has shown a minimal impact of legislation on the attitudes of employers toward older job seekers in the areas of recruitment and selection. It has been suggested that besides legislation, alternative approaches such as public awareness campaigns and pro-active monitoring of discrimination are necessary to attack age discrimination effectively.³⁵ Encouraging people to stay in the labour force at a later age requires acceptance and acknowledgement that mature age workers have much to contribute.

2.3.7 Flexible work arrangements

Flexibility in work arrangements that allow workers balance work and other life commitments is also an issue for older workers. Some older workers leave the labour force, either temporarily or permanently, to care for another person. Feedback from public consultations held by the Ministerial Taskforce on Work and Family has indicated that some workers take early retirement or choose not to stay in the labour force beyond retirement age, so they can take care of elderly relatives. Strategies that give older workers the flexibility needed to stay in the workforce and/or access to a gradual exit from paid work are considered important to increase labour force participation rates among older workers. Examples of such arrangements include the possibility to take long service leave on a single day basis as to gradually reduce time at work, the ability to purchase extra leave for proportionate salary, career breaks, flexible work hours, part-time employment, and part-year employment.

The Queensland government is considering a number of flexible work arrangements to encourage extended participation of mature aged workers in the workforce. These arrangements are discussed further under section 2.4.1.

2.3.8 Workplace Health and Safety

An important issue affecting labour force participation is workplace health and safety. The human cost of workplace injury and illness is enormous, with hundreds of lives lost every year and even more lives affected as a result of permanent or temporary disability caused by unsafe workplaces. As a result, a large number of working weeks are lost every year because people are temporarily or permanently unable to work.

According to data from the National Occupational Health and Safety Commission (NOHSC)³⁶, the Occupational Health and Safety (OHS) performance in Australia has improved as the number and incidence rate of workplace related injury and illness, including fatality, has decreased in the five years between 1996 and 2001. The number of workers' compensation cases in 2000-2001 which resulted in fatality, permanent or temporary disability and causing at least a one week absence from work was 14,679.³⁷ The incidence rate, which is the number of cases per thousand employees, was 17.8. A worker on

³⁵ Bennington and Wein, as cited in Encel, S. (2003). *Age can work: the case for older Australians staying in the workforce*. A report to the Australian Council of Trade Unions and the Business Council of Australia.

³⁶ National Occupational Health and Safety Commission. *Compendium of Workers' Compensation Statistics Australia, 2000-2001*. December 2002.

³⁷ Data for 2000-2001 were preliminary and taken from an earlier stage of claims processing than figures for previous years. All of the 2000-2001 data was considered to understate the number and incidence of cases compared to previous years.

compensation leave was on average absent for 10 weeks. In 2000-2001, a total of 1,432,967 working weeks were lost because of work-related injury and illness.

The *ABS September 2000 Work-Related Injuries Survey*, which examined the occurrence of work-related injuries and illness in the 12 months to September 2000, found that the number of persons in the workforce who had suffered work-related injury or illness was much higher at 477,8000 compared to the number of reported workers' compensation cases. The incidence rate of injury or illness was also much higher at 49.3. Two reasons for these differences were that a large number of workers (54 per cent) who suffer workplace injuries or illness do not seek compensation or report the incident, and the fact that some workers are not covered by worker's compensation. Only 40 per cent of workers who suffered work-related injury or illness applied for and received workers' compensation.

The majority of persons (37 per cent) who suffered work-related injuries took no time off at all. Nevertheless, 29 per cent took a couple of hours to 4 days, 11 per cent took between 5 and 10 days, and 23 per cent took more than 10 days off work.

The study also showed that work-related injury and illness varied considerably among states and territories. The highest incidence rate was found in South Australia (65 per 1,000) and the lowest in Victoria and Northern Territory (42 per 1,000). Queensland had an incidence rate of 57. However, caution is needed when comparing different jurisdictions, because the different mixes of industries and workforce characteristics can make comparisons misleading. For example, the incidence rates differ between industries with the highest incidence rates in industries such as construction, mining, and transport & storage and the lowest rates in education and finance & insurance.

Work-related injuries and illnesses are not only causing human suffering, but have also an economic cost through loss of labour supply. The number of working hours lost is considerable and could be reduced by improving workplace health and safety in Australian workplaces. Workers, their families, employers, industry and community benefit from improved workplace health and safety.

The Queensland Department of Industrial Relations administers the *Workplace Health and Safety Act 1995*, which sets out the workplace health and safety law for Queensland. The Act aims to prevent a person's death, injury or illness being caused by a workplace or workplace activities, through eliminating or minimising exposure to risk. Workplace Health and Safety Queensland is committed to assist employers and others with legal obligations under the Act in meeting their legislative duty.

Workplace Health and Safety Queensland develops and implements legislative, compliance and enforcement frameworks to improve workplace health and safety and electrical safety. Workplace Health and Safety Queensland and the Electrical Safety Office have 200 full-time inspectors operating out of 20 offices across the State. In 2002-03 Workplace Health and Safety Queensland proactively visited more than 6,600 workplaces and issued more than 8,200 notices requiring improvements in health and safety. To reduce the risk of work-related injury, the ability to target high-risk hazards and workplaces has been improved through enhanced data analysis, industry research and evaluation techniques. Providing education and information to employers and employees, through information products, guidance material, advice, seminars, safety blitzes and proactive inspections, plays an important role in the prevention of work-related injury or illness.

2.4 What is being done in the Public Service?

2.4.1 Retaining older workers

Retention of mature aged workers is emerging as a serious labour market issue and the Queensland public service workforce is not unaffected. Nearly twenty-five percent of the current workforce is aged 50 years or older and potentially eligible to retire in the next 10 to 15 years.

The Department of Industrial Relations is working to raise awareness in Queensland Government departments and agencies about the potential impacts and more recently to develop some strategies that may be introduced to encourage extended participation of mature aged workers in the workforce.

A number of new flexible leave options are being considered. These include introducing:

- An option for employees to negotiate taking long service leave at the rate of one or more days per week or fortnight for as many weeks as is applicable to the total amount of long service agreed upon. For example, an older employee with a large long service leave balance could use this provision to extend their participation in the workforce by an extra year or two while working a three or four day week prior to a later retirement date and still receiving a full-time salary.
- Changes that provide for recreation leave and long service leave at half-pay to available for any purpose. Long service leave is currently only available at half-pay for family or study purposes. Once again, older employees may be interested in using recreation leave and long service leave at half pay to achieve a desired balance between work and life commitments such as extended travel opportunities, elder care, spending more time with grandchildren, undertaking volunteer work as opposed to completely or partially retiring from the workforce.
- An option for employees to negotiate purchasing anywhere from one week up to twelve months "purchased leave." This option may also provide both older and younger employees with more flexibility to remain in the workforce while at the same time leaving them enough time to achieve major family and life commitments.

Preliminary work is also underway on the development of a guide for public service managers about options for encouraging extended participation of older employees in the workforce. It is anticipated that it will cover topics such as valuing older workers, management of transitions to part-time and part-year work, working in different capacity, pre-retirement flexible leave options, learning and knowledge transfer and career change development incentives. It may also include some principles about the use of pre-retirement contracts.

2.4.2 Government apprenticeships and traineeships

The Public Sector Employment Program provides apprenticeships and traineeships in state government, local government and community-based organisations. The program has enabled the State Government to re-establish the public sector's role in employing young people and developing skills that benefit industry and the broader community. Surveys of agencies involved as employers in the Public Sector Employment program indicated 94% of respondents were very satisfied or satisfied with the program. Over three-quarters of them identified the program as being very successful or successful in providing wider economic

benefits to the community and 95% indicated the program was successful or very successful in skilling the local workforce.

The Public Sector Employment Program uses the capacity of state government agencies, local government and Indigenous community councils to provide additional opportunities, with recognition that these organisations would not be able to retain all trainees after the program support ceases. Over 40 per cent of participants who gain ongoing employment do so with a different employer. In the case of national arrangements most traineeship completers are retained with the employer where they did the traineeship. This makes the ongoing employment outcomes being achieved in the Public Sector Employment program even more significant.

Overall the outcomes of the program are positive. Some 82 per cent of people completing a traineeship through the Public Sector Employment program have secured ongoing employment. This compares favourably with employment outcomes of traineeship arrangements nationally (83 per cent of those completing a traineeship in employment) when it is borne in mind that the Queensland program has significant levels of participation by disadvantaged groups, particularly indigenous people and those who live in high unemployment locations, while in national traineeship arrangements there is no such targeting.

Outline of Geographical classification

Capital city represents the Brisbane Statistical Division. *Other metropolitan* consists of the Cairns, Gold Coast and Townsville-Thuringowa local government areas. *Remote* consists of areas which by the ARIA classification are classified as either remote or very remote.

Other urban consists of smaller urban centres and includes: Bundaberg, Caloundra, Charters Towers, Gladstone, Hervey Bay, Mackay, Maryborough, Rockhampton, Toowoomba.

Remote SLAs include: Weipa, Mornington, Torres, Unincorp. Islands, Aurukun, Barcoo, Diamantina, Longreach, Isisford, Burke, Carpentaria, Winton, Ilfracombe, Quilpie, Croydon, Bulloo, Barcaldine, Blackall, Aramac, Richmond, Cook (excl. Weipa), Paroo, Tambo, Etheridge, McKinlay, Flinders, Murweh, Boulia, Jericho, Palm Island, Cloncurry, Mount Isa, Balonne, Mareeba, Booringa, Belyando, Bungil, Dalrymple, Bauhinia, Peak Downs, Warroo, Bowen, Emerald, Taroom .

The remainder of the state is classified as rural.

The Census labour force data exclude overseas visitors, and do not separate out interstate visitors.

Queensland Labour Market Programs

September 2003

CONTENTS

Breaking the Unemployment Cycle initiative Programs

Community Jobs Plan

Community Employment Assistance Program

Experience Pays Program

Back to Work Program

Public Sector Employment Initiative

Private Sector Employment Program

State Government Building and Construction Contracts – Structured Training Policy (10% Training Policy)

Building Construction Industry Training Fund

Housing Industry Trade Training (Plus) Program

Worker Assistance Program

Indigenous Employment and Training Support Program

Other Labour Market Programs

Community Training Partnerships Program

Indigenous Employment Policy

PROGRAM TITLE:

Community Jobs Plan

DESCRIPTION:

The Community Jobs Plan funds community and public sector organisations to employ long-term unemployed people, and those at risk of long-term unemployment, for periods of three to six months on a range of public works, community and environmental projects. Projects must be of benefit to the broader community with an emphasis on participants gaining training, competencies and work skills in such activities that will lead to employment opportunities relevant to local employer needs.

ELIGIBILITY CRITERIA:

Sponsor organisations eligible to receive funding include: incorporated not-for-profit community sector organisations; regional development organisations; local government authorities; state government agencies and statutory authorities. Projects are also delivered at no cost to the participants.

Queensland residents aged over 15 years, who are long-term unemployed (12 months or more), or at risk of long-term unemployment, are targeted under the Community Jobs Plan. Groups considered "at risk" of long-term unemployment include: indigenous people; people with a disability; people from a non-English speaking background including newly arrived migrants, Temporary Protection Visa Holders (TPVs) and humanitarian refugees; mature aged people over 40 years; and young people particularly disadvantaged in the labour market including young offenders, those at risk of offending, early school leavers and those who are homeless.

People who have been referred by Centrelink to Job Network Providers or a Disability Employment Service for Job Search Training or Intensive Assistance are eligible to be employed on projects funded under the Community Jobs Plan. Unemployed people do not have to be registered with a Job Network provider, or be receiving assistance from Centrelink to be eligible for assistance. The selection of participants for all these programs is at the discretion of the sponsor organisations, subject to the eligibility criteria.

RATIONALE:

The Community Jobs Plan offers long-term unemployed people the opportunity to build or restore their confidence by getting back into the cycle of going to work five days a week. It is a work-based program that allows participants to develop a work ethic and new skills amongst people who have been facing similar difficulties. These are 'real' jobs as participants have an employer, are working full-time and being paid wages.

This client group often have low levels of literacy and numeracy, low self-esteem and a lack of recent work skills having a significant effect on employability. Working on a project enables participants to restore their dignity, self-esteem and confidence to apply for further jobs from a position of employment.

Participants undergo training that provides for skills acquisition on the job that has the potential to lead to further employment opportunities. Priority is given to projects providing generic skills development that is transferable across industries and a diversity of work experiences rather than limited repetitive work skills.

FUNDING:

The total budget for the Community Jobs Plan and the Community Employment Assistance Program over the six years (1998/99 to 2003/04) is \$104.77 million with a jobs target of 15,000. The

Community Jobs Plan has a notional allocation between \$23 - \$26 million each year with an average job cost of \$11,600.

OUTCOMES:

As at 30 June 2003, 696 Community Jobs Plan projects have been approved for grants totaling \$97.07 million for organisations to employ 9,346 long-term unemployed people, or those at risk.

There has been a wide geographic spread of projects with 343 projects in regional and rural Queensland. A secondary positive outcome of the Community Jobs Plan has been the development of community infrastructure of lasting benefit and improving the environments of local communities.

RELATIONSHIP WITH COMMONWEALTH GOVERNMENT:

The Community Jobs Plan is different to the Commonwealth Government's Work for the Dole Program. Community Jobs Plan jobs are 'real' jobs with participants paid an award wage and working on a full-time voluntary basis. Work for the Dole is considered work experience as opposed to a job given it is only two days a week, is compulsory as part of mutual obligation requirements and participants are not paid a wage for the work they do but continue to receive their Commonwealth benefit.

In addition, the Community Jobs Plan specifically targets those that have "fallen through the gaps" in the labour market, that is those unable to seek assistance or are ineligible for Commonwealth labour market programs such as Work for the Dole.

Sponsor organisations recruiting participants who are receiving assistance or allowances from Centrelink need to have the potential participants clarify the impact of participation on a Community Jobs Plan project as an approved activity on their continued eligibility for this assistance. Many community organisations have looked to Centrelink and Job Network providers for referrals but in many cases this has not been a successful strategy as their focus is clients on benefits who are required to undertake mutual obligation activities.

PROGRAM TITLE:

Community Employment Assistance Program

DESCRIPTION:

The Community Employment Assistance Program funds community and public sector organisations up to a maximum of \$60,000 to assist long-term unemployed people, and those at risk of long-term unemployment, find work. The assistance provided may include literacy and numeracy assistance, living skills, vocational training, work experience, job search and job placement assistance.

ELIGIBILITY CRITERIA:

Sponsor organisations eligible to receive funding include: incorporated not-for-profit community sector organisations; regional development organisations; local government authorities; and statutory authorities.

Queensland residents aged over 15 years, who are long-term unemployed (12 months or more), or at risk of long-term unemployment, are targeted under the program. Unemployed people do not have to be registered with a Job Network Member or be receiving assistance from Centrelink to be eligible for assistance.

Personal Support Programme, Disability Employment Services clients, Intensive Support and Intensive Support Customised Assistance clients are not eligible to participate in the Job Preparation Projects.

RATIONALE:

The Community Employment Assistance Program is different to the Community Jobs Plan in that it offers long-term unemployed people pre-employment assistance developed specifically to 'break down the barriers' to accessing employment.

In many cases the projects funded under these projects are run by community organisations with specialised knowledge of a disadvantaged group, such as Aboriginal and Torres Strait Islander people, 'at risk' youth, people from non-English speaking backgrounds, or mature aged jobseekers. They are able to offer services tailored to the needs of these specific client groups.

The type of assistance offered can include a combination of skills audits, training needs analysis, literacy and numeracy assessment, living skills training, vocational training, work experience and job search assistance matched to the difficulties the target group are facing to enable them to become 'job ready'.

FUNDING:

The Community Employment Assistance Program has a notional annual budget of \$3.37 million with an average assistance cost of \$1,300.

OUTCOMES:

As at 30 June 2003, 432 projects have been approved for grants totalling \$23.25 million that will assist 21,810 long-term unemployed people, and those at risk, and 9,168 of these people already gaining employment. Critical to the success has been the capacity to assist those most disadvantaged in accessing labour market assistance.

RELATIONSHIP WITH COMMONWEALTH GOVERNMENT:

With the implementation of ESCIII from 1 July 2003, 3 new CEAP models have been formulated, each detailed with participant eligibility criteria.

Categorising projects assists in establishing whether the project is offering the same or different services to the Commonwealth

1. Job Preparation Projects (offer basic job search & pre-employment assistance – considered a clear duplication of Job Network services)
2. Vocationally Focused Projects
3. Equity Group Projects.

Both model numbers 2 & 3 have been established as complementary programs, to allow Job Network members to refer clients. An associated fee of \$500 is payable by Job Network Members if their clients are accepted onto these type of projects.

PROGRAM TITLE:

Experience Pays.

DESCRIPTION:

This three year program, that was introduced in the current financial year, seeks to boost the job opportunities of long-term mature-aged job seekers through the provision of a \$4,000 wage subsidy to industry to employ more than 450 job seekers aged 45 and over per annum for a period of twelve months.

ELIGIBILITY CRITERIA:

Persons aged 45 years and over who are unemployed for twelve months or more and who are not in receipt of Intensive Assistance.

RATIONALE:

In Queensland, unemployed mature aged persons (45 years and over) numbered 30,300 in November 2001 and averaged 31,200 over the year. Although the unemployment rate for the mature aged is relatively low (4.5 per cent in November 2002), they account for 36.1 per cent of long-term unemployed persons in Queensland.

The incidence of long-term unemployment (long-term unemployment as a percentage of total unemployment) for mature aged unemployed persons is 38.8 per cent, compared to an average incidence of 21 per cent for all age groups. Comparative duration of unemployment is 77 weeks for mature-aged versus an average for all age groups of 42 weeks. These labour force statistics indicate that mature age people, while not proportionately highly represented in overall unemployment numbers, are disproportionately highly represented amongst the long-term unemployed.

The provision of wage assistance targeted to those mature aged persons unemployed for more than 12 months will provide an incentive to employers that helps address the barriers to employing this group of job seekers. The experience of the Commonwealth's previous 'JOBSTART' program demonstrates that wage subsidy programs are the most effective labour market programs for long-term unemployed persons in terms of employment outcomes.

FUNDING:

\$5.4 million over 3 years.

OUTCOMES:

Wage subsidy payments totalling \$808,000 have been paid to employers since the introduction of this program to employ 271 mature age job seekers.

RELATIONSHIP WITH COMMONWEALTH GOVERNMENT:

Job seekers in receipt of Intensive Support Customised Assistance are able to receive substantial support, including wage subsidies, through their Job Network provider. Accordingly, to avoid duplication of the support available through the Commonwealth's Job Network, assistance through Experience Pays is limited to eligible job seekers who are not receiving Intensive Support Customised Assistance through a Job Network provider. Persons otherwise in receipt of Commonwealth assistance are eligible to participate in the program.

PROGRAM TITLE:

Back to Work

DESCRIPTION:

This three-year program was introduced in the current financial year. The Program aims to assist job seekers over 45 years of age (who have been unemployed for at least three months) to undertake job search training and introductory training in information technology in order to increase their chances of securing employment.

The program seeks to assist 1,000 eligible persons per annum.

ELIGIBILITY CRITERIA:

Persons aged 45 years and over who have been unemployed for three months or more and who are not in receipt of Intensive Assistance.

RATIONALE:

It is widely acknowledged that almost all jobs in the labour market today involve the use of information technology applications. Industries based on information, new technology or services, which demand an increasingly wide range of new knowledge and skills (such as the ability to use Information Technology), have replaced traditional manuf

Research that has been conducted by the Department, in conjunction with the University of Queensland, included surveys of industry that indicated that key barriers facing job seekers were the lack of information technology and job search skills. This work confirmed the need to provide job seekers with information technology skills training, not only to meet the needs of the new economy jobs, but also as a tool in job search activities.

The provision of training in job search techniques and introductory information technology provides participants with the right skills to compete in the labour market. Without these skills, it is possible that mature age unemployed persons may drift into long-term and very long-term unemployment, which provides a significant barrier to securing employment, and has a broad range of other impacts on the individual and the community.

FUNDING:

\$1.5 million over 3 years

OUTCOMES:

As at 30 June 2003, 2,013 mature aged participants have been assisted throughout the State. 152 have obtained employment while 154 have on to further study.

RELATIONSHIP WITH COMMONWEALTH GOVERNMENT:

The program does provide assistance not unlike that available to some job seekers through the Commonwealth's Job Network. Accordingly, to avoid duplication of the support available through the Commonwealth, assistance through the program is limited to eligible job seekers who are not receiving Intensive Support Customised Assistance through a Job Network provider. Persons otherwise in receipt of Commonwealth assistance are eligible to participate in the program.

PROGRAM TITLE:

Public Sector Employment program

DESCRIPTION:

This program aims to generate 13,400 additional trainees and 500 additional apprentices in public sector agencies over six financial years. In addition, a further 300 apprentice positions have been offered during 2003. The program also funds school based traineeships and apprenticeships, which supports the transition from school to work by allowing students (typically years 11 and 12) to achieve a senior certificate while they train in an industry area to achieve nationally recognised VET qualifications.

ELIGIBILITY CRITERIA:

Agencies eligible to apply include: local government agencies, state government departments, statutory authorities, and Aboriginal and Torres Strait Islander community councils. During 2003/04 the program will also allocate a total of 200 positions to not-for-profit community organisations.

All job seekers are encouraged to apply and the following targets apply:

- Women – 50 per cent
- People from a Non-English Speaking Background – 5 per cent
- People with a Disability – 5 per cent
- Aboriginal and Torres Strait Islander People – 5 per cent.

RATIONALE:

The program aims to utilise the capacity within the State Government to provide work experience and a vocational qualification for unemployed people, (with an emphasis on new labour market entrants, such as school leavers) to make them more competitive in the broader labour market.

As part of the program, agencies nominate to take on apprentices and trainees for the nominal duration of the apprenticeship or traineeship. In return, substantial funding is provided to offset the cost of wages of these additional staff. It is not the intention that all trainees be absorbed into the public sector, however it is evident that the program has assisted the State to increase the number of young people employed in the public sector. This is considered vital to the long-term viability of the service, given Queensland's aging population.

Opening up the program to local government agencies and Aboriginal and Torres Strait Islander community councils facilitates the creation of training opportunities across the State and assists regional and remote areas increase the number of employment opportunities for local people. These agencies also provide a wider scope of training opportunities because of the variety of work available.

The program is part of the *Breaking the Unemployment Cycle* initiative implemented by the Beattie Government in October 1998.

FUNDING:

Funding of up to \$16,000 is available to eligible agencies for each trainee (funding level depends on agency type). From 1 July 2001, State Government Departments have been funded to employ school based apprentices and trainees. These positions were subsequently also opened up to local government, statutory authorities and Indigenous Councils. Agencies receive up to \$4,000 for each school based placement and the trainees and apprentices will work for the agency for at least 96 days over the two-year period. The total budget for the Public Sector Employment program, over a six-year period is \$253.7 million.

OUTCOMES:

A recent longitudinal destinations study into this program showed that 91 per cent of trainees that participate in the Public Sector Employment program successfully complete their qualification. In addition, 78 per cent of trainees are successful in gaining further employment after the cessation of their traineeship. As at 30 June 2003, 12,843 trainees and 585 apprentices have commenced employment. In addition, 532 school-based trainees and 36 school-based apprentices have also commenced employment.

RELATIONSHIP WITH COMMONWEALTH GOVERNMENT:

The Public Sector Employment program complements existing incentives provided at the Commonwealth level. Public Sector agencies are eligible to apply for any Commonwealth incentives available through the *New Apprenticeships Incentive Program*.

PROGRAM TITLE:

Private Sector Employment Program

DESCRIPTION:

The Private Sector Employment program provides an incentive for private sector employers and group training organisations to employ additional apprentices or trainees in industries suffering skill shortages and growth industries that are crucial to the development of the State's economy.

ELIGIBILITY CRITERIA:

Employers are eligible for an incentive if their apprentice or trainee:

- is employed in an eligible occupation within an identified skill shortage or growth industry,
- is enrolled in a qualification which is eligible for User Choice funding,
- is additional to the business, and is not an existing worker (as defined by the Queensland Department of Employment and Training),
- has completed six months of their apprenticeship or traineeship, and
- is still employed with their organisation.

RATIONALE:

Despite high unemployment, in particular youth unemployment, the State experiences skill shortages in certain industries, which impede strong economic growth in the State. In addition, some of the State's more important industries experience economic peaks and troughs resulting in inconsistent traineeship and apprenticeship intakes. For example, in periods of downturn, fewer employment based training opportunities are provided with the result that when the economy picks up, there is a diminished supply of newly qualified tradespersons.

As a result, the program aims to address industry skill shortages and skill requirements for emerging industries in Queensland. Providing a financial incentive to employers recruiting apprentices and trainees, assists the State increase its economic capacity in the long-term.

The program is part of the *Breaking the Unemployment Cycle* initiative implemented by the Beattie Government in October 1998.

FUNDING:

In general, where the training period normally takes three or more years to complete, a \$2,200 payment (inc GST) is made. Where the training period normally takes less than three years to complete, a \$1,100 payment (inc GST) is made. Employers become eligible for payment six months after the commencement date of the apprentice or trainee.

The total budget for the Private Sector Employment Initiative, over a six-year period is \$30 million

OUTCOMES:

As at 31 August 2003, 10,759 employers and 30 group training organizations have received cash incentives totalling \$35.884 million to employ 20,219 additional apprentices and trainees in industries with skill shortages.

RELATIONSHIP WITH COMMONWEALTH GOVERNMENT:

Employers and group training organisations funded as part of the Private Sector Employment program are eligible to apply for any Commonwealth incentives available through the *New Apprenticeships Incentive Program*. As part of this program, the Commonwealth also provides an incentive to employers in non-metropolitan areas who employ an apprentice or trainee in an identified skill shortage area.

Not all skill shortage industries listed by the State Government are included in the Commonwealth's list. However, where this occurs the additional incentive helps the State meet its aim of increasing training opportunities in those industries considered crucial to economic growth. The Private Sector Employment program also focuses on future skill requirements for Queensland's growth industries and is not restricted to non-metropolitan areas.

PROGRAM TITLE:

State Government Building and Construction Contracts – Structured Training Policy (10% Training Policy)

DESCRIPTION:

The State Government Building and Construction Contracts – Structured Training Policy (10% Training Policy) is part of the Queensland Government’s State Purchasing Policy.

The 10% Policy is also a key element of the Government’s *Breaking the Unemployment Cycle* initiative. The policy requires that 10% of the total labour hours on any Queensland Government building and construction project over a prescribed threshold (\$250,000 for building projects and \$500,000 for civil projects) be undertaken by apprentices, trainees or cadet or used to up skill a capped number of existing workers.

The 10% Policy is targeted to create training opportunities for 1500 additional apprentices/trainees and cadets in the building and construction industry over five financial years from 1998.

RATIONALE:

Given the cyclical nature of the building and construction industry, this industry often experiences periods of skill shortages, specifically during periods of economic growth. The Government has chosen to mandate a training component on all its infrastructure programs. The program is designed to address skills shortages and foster a training culture within the building and construction industry.

ELIGIBILITY CRITERIA:

The 10% Policy applies to all Queensland Government and Government Owned Corporation’s building projects over a prescribed threshold (\$250,000 for building projects and \$500,000 for civil projects).

FUNDING:

N/A

OUTCOMES:

As at 30 June 2003 an additional 4,903 training opportunities have been created.

RELATIONSHIP WITH COMMONWEALTH GOVERNMENT:

The Policy complements Commonwealth incentives for apprentices and trainees and assists the State Government to facilitate stability in this particular industry. Building and construction industry employers are eligible to apply for any Commonwealth incentives available through the *New Apprenticeships Incentive Program*.

PROGRAM TITLE:

Building Construction Industry Training Fund (BCITF).

DESCRIPTION:

The fund was established in 1999 through capitalising on existing industry investments in the Portable Long Service Fund. The amount allocated to training is equivalent to 0.05 per cent of the cost of building and construction work used to calculate the portable long service levy each financial year.

The training fund is an essential tool in the Government's *Breaking the Unemployment Cycle* Initiative as it encourages skills development within the building and construction industry. The fund provides incentive payments to employers who take on additional apprentices and trainees in industry areas identified as experiencing skill shortages and low apprentice and trainee intakes.

Monies are also allocated to other programs such as up-skilling and cross skilling existing workers, research and development and to provide skills development opportunities in the industry for women and Aboriginal and Torres Strait Islander peoples.

RATIONALE:

Given the cyclical nature of the building and construction industry, this industry often experiences periods of skill shortages, specifically during periods of economic growth. Over the last decade there has been a shift to sub-contracting in the building and construction industry resulting in a trend for the engagement of fewer apprentices. The fund is designed to maximise employment opportunities and alleviate skill shortages in the building and construction industry. It has a specific occupational targeting within a regional context.

ELIGIBILITY CRITERIA:

Under the provisions of the Portable Long Service Leave Act 1998, the Board of Management of Construction Training Queensland, a recognised industry training advisory body, recommends to the Minister of Employment and Training the appointment of independent trustees to the Building and Construction Industry Training Fund.

The Construction Training Queensland Board of Management endorses and recommends ministerial approval of an annual Fund Training Plan, outlining how BCITF funds are allocated each year. The independent trustees have a responsibility to oversee and monitor the implementation of the BCITF Training Plan by Construction Training Queensland as Fund Manager.

FUNDING:

The Portable Long Service Leave Authority provides an annual grant of between \$5-6 million to the BCITF each year. Construction Training Queensland the recognised industry training advisory body has responsibility for administering the fund. Following a review of the Funds Training Plan, the Minister has approved funding of \$6 57 million for the 2002-2003 financial year.

OUTCOMES:

The fund began operation in 1999 and as at 30 June 2003 has supported the employment of an additional 2813 apprentices and trainees.

RELATIONSHIP WITH COMMONWEALTH GOVERNMENT:

The Building Construction Industry Training Fund (BCITF) complements Commonwealth incentives for apprentices and trainees and assists the State Government to facilitate stability in this particular industry. Building and construction industry employers are eligible to apply for any Commonwealth incentives available through the *New Apprenticeships Incentive Program*.

PROGRAM TITLE:

Housing Industry Trade Training (Plus) Scheme.

DESCRIPTION:

The Housing Industry Trade Training (Plus) Scheme is a joint initiative between the Department of Employment and Training, the Department of Public Works and the Department of Housing, which is the lead agency.

The scheme is aimed at providing apprenticeship and traineeship training and employment in the public housing sector through the allocation of public sector housing projects to participating group training organisations. HITT Plus provides work and funding for the creation of new apprenticeship positions through group training organisations.

The Commonwealth Government has significantly tightened funding for public housing construction over the past two years. As a consequence, the Department of Housing has very limited stock of new construction projects and is not able to allocate sufficient work to sustain the program beyond 2003-04. Accordingly, this program will cease at 30 June 2004.

RATIONALE:

Given the cyclical nature of the building and construction industry, this industry often experiences periods of skill shortages, specifically during periods of economic growth. The program is designed to provide additional training opportunities for building and construction apprentices and trainees employed by participating group training organisations. The Government recognised the need for intensive training in the initial period of an apprenticeship and has made the construction of public housing available, as a mechanism to facilitate this training.

ELIGIBILITY CRITERIA:

A HITT Plus apprentice is a building related apprentice or trainee employed by a group training organisation as a direct result of projects being made available under HITT Plus. Usually, such apprentices or trainees will be new entrants, but it is accepted that out-of-trade apprentices would be included.

A HITT Plus apprentice is an additional apprentice over a base level determined by the relevant parties.

FUNDING:

Over 4 financial years from 1999-2004 the Government will be providing \$12 Million in training funds for the HITT Plus program as a major part of the Government's *Breaking the Unemployment Cycle* Initiative.

OUTCOMES:

Over a 6 year period the overall target of the program is to provide opportunities for an additional 1000 apprentices and trainees in the building and construction industry. As at 30 June 2003, 1,547 additional apprenticeships and traineeships have been created.

RELATIONSHIP WITH COMMONWEALTH GOVERNMENT:

HITT Plus complements Commonwealth incentives for apprentices and trainees and assists the State Government to facilitate stability in this particular industry. Group training organisations are eligible to apply for any Commonwealth incentives available through the *New Apprenticeships Incentive Program*.

PROGRAM TITLE:

Worker Assistance Program

DESCRIPTION:

The Worker Assistance Program (WAP) is an early intervention labour market program aimed at assisting workers displaced, or about to be displaced, due to large scale retrenchments, to make the transition to alternative employment. The Program can be activated in the following circumstances:

- Where an establishment proposes, or has actually retrenched, 25 or more workers due to liquidation and is therefore unable to provide similar assistance to its workers;
- In regional and rural communities, where an establishment proposes, or has actually retrenched, 15 or more workers and there is a resultant substantial detriment to the local community; and the employer is unable to provide similar assistance to its workers;
- Where retrenchments from a major establishment downsizing will significantly impact on the local economy and the establishment is unable to provide similar assistance to its workers. (Usually linked with industry restructure).

The Job Preparation Assistance component of WAP assists clients to identify their employment goal. It also provides job search training, career transition support, resume writing, job application and interview techniques, labour market advice and financial planning. Available assistance also includes training, an employer wage subsidy and re-location. The Program is similar to the Dislocated Workers Program, which has operated successfully in the United States for some time.

ELIGIBILITY CRITERIA:

Activations of the WAP are made on a case-by-case basis. Where an activation is approved, all affected workers are eligible for assistance under the program. Two categories of assistance provide up to \$5,000 of assistance per worker.

RATIONALE:

By providing immediate assistance to displaced workers, the WAP aims to minimise the propensity of this group to become long-term unemployed. Broadly, the WAP targets situations of significant business closures or industry downsizing, but particularly communities that are substantially dependent on the affected business and where there is a paucity of alternative local employment opportunities.

Research by the Business Council of Australia (Boston Consulting Group) reveals that retrenchment is responsible for approximately 40 per cent of entries to the pool of long-term unemployed. Respected literature on reducing long-term unemployment supports early intervention as a strategy to ensure that workers quickly find alternate employment. Therefore, early, active job search is an important contributor to making a successful transition to work. Evidence indicates that displaced workers who are either older, lack skills and qualifications, are employed in low skilled jobs or have been with the same employer for a lengthy period, are particularly vulnerable to retrenchment and suffer poor post-retrenchment outcomes. Consequently, the WAP also targets these groups.

Re-employment outcomes for retrenched workers have been shown to be affected by factors such as local labour market conditions, the number of displaced workers compared to the size of the local labour force and characteristics such as age, gender, educational status and skill levels.

FUNDING:

Queensland Treasury provides up to \$5 million annually to fund the direct costs associated with interventions. The Department of Employment and Training provides \$233,400 for staffing and administration costs.

OUTCOMES:

Since the WAP commenced in 1999, 42 interventions have been undertaken with 31 of these interventions occurring in rural or regional Queensland. As at 30 June 2003, 4,002 workers have been assisted, with 69% gaining direct employment and 72% gaining employment and training outcomes. \$4.48 million has been expended on direct support to these retrenched workers.

RELATIONSHIP WITH COMMONWEALTH GOVERNMENT:

Although there is substantial job search support available through the Commonwealth's Job Network, this assistance is primarily for the long term unemployed (over 12 months). While Centrelink is often involved in WAP activations, its role has been restricted to advising retrenched workers on how to access benefits. On-site interview and assessment of retrenched workers used to be provided by the now defunct Commonwealth Employment Service (CES), but this service is not available through the Job Network. The CES was also supported by various industry adjustment programs through the Office of Labour Market Adjustment (OLMA). Once again, the OLMA programs have been discontinued.

PROGRAM TITLE:

Indigenous Employment and Training Support Program

DESCRIPTION:

The program is designed to provide culturally appropriate support for Indigenous apprentices and trainees across ten locations in Queensland. The aim is to increase retention and completion rates for Indigenous apprentices and trainees.

The Indigenous Employment Training Support officers support the implementation of the Indigenous Employment Policy through taking a training coordination role, and in the Cape York Region ensuring that training required for the implementation is purchased in accordance with the expressed requests of the community.

ELIGIBILITY CRITERIA:

All Indigenous apprentices and trainees in specified locations:

- Bamaga – Northern Peninsula area
- Cunnamulla
- Ipswich/Inala/Beenleigh corridor
- Hervey Bay, Maryborough, Bundaberg
- Palm Island
- Greater Cooktown
- Kowanyama/Pormpuraaw
- Lockhart River, Coen
- Woorabinda

RATIONALE:

The Department of Employment and Training, through its employment and training programs had been able to increase the numbers of Indigenous apprentices and trainees, however, the retention and completion rates were substantially lower than for mainstream apprentices and trainees. By providing culturally appropriate support, mentoring and referral services, it is anticipated that there will be an increased retention and completion rate and therefore the development of a greater skills base within the Indigenous community.

FUNDING:

Funding has been provided for this trial program from the *Breaking the Unemployment Cycle* initiative. The total budget is \$600,000 for a 12-month period.

OUTCOMES:

As at 30 June 2003, an external evaluation of the program was undertaken and completed. The evaluation noted that early trend data demonstrated an increase in completion and retention rates for trainees supported by the program.

RELATIONSHIP WITH COMMONWEALTH GOVERNMENT:

The Commonwealth does not provide a similar service.

PROGRAM TITLE:

Community Training Partnerships

DESCRIPTION:

The Community Training Partnerships program (CTP) is a component of the State Government's *Smart State* initiative. This program specifically aims to increase access to vocational education and training by people who do not currently participate in training and to deliver training in modes suited to the needs of this group. Unemployed persons are a key target group of the program.

To achieve this objective, the program helps communities to identify their current and future employment needs aligned to economic and social development, and to purchase the appropriate training. The program also seeks to develop linkages to programs under the *Breaking the Unemployment Cycle* initiative and support other government initiatives.

ELIGIBILITY CRITERIA:

Persons who are unemployed or employed but vulnerable/disadvantaged in the workforce.

RATIONALE:

The changing nature of the Queensland and national labour market and economy is demanding new skills of the workforce. Research conducted by the Department has highlighted the need to boost the skills of the labour force, particularly for those persons who do not have a post-school qualification or are otherwise disadvantaged in the labour market and workforce.

The vocational education and training sector has, however, had some difficulty in engaging these low skilled workers and others disadvantaged in the labour market. These difficulties, in part, may reflect these persons' past experiences of education and training not being positive, or due to geographical, economic or other factors may not have access to 'traditional' skills development opportunities.

CTP seeks to address some of these concerns by funding community organisations to provide more flexible, accessible and 'user friendly' vocational education and training pathways for these disadvantaged workers and job seekers. By working through these arrangements, the program is also able to provide more timely responses to identified skill needs in communities than might be available through more 'traditional' delivery strategies.

FUNDING:

\$5 million in 2001-02 and \$5 million in 2002-2003

OUTCOMES:

As at 30 June 2003, the Program has approved funding of \$1.2 million for 11 pilot projects to assist 594 people. The program has also approved funding of \$404,479 for 49 projects to research local employment opportunities and associated training needs within communities. Additionally, \$12.10 million has been approved for 65 projects to deliver training to 9,564 people in order to enhance identified local employment opportunities.

RELATIONSHIP WITH COMMONWEALTH GOVERNMENT:

While there are no formal links with Commonwealth Government programs, unemployed persons and others in receipt of income support through the Commonwealth are eligible to participate in the program.

It is also the case that individual CTP projects link with, or build on, local economic and employment initiatives that have received Commonwealth program assistance. In several instances organisations that also provide Job Network services have assisted with the delivery of projects.

PROGRAM TITLE:

Indigenous Employment Policy.

DESCRIPTION:

The Indigenous Employment Policy requires all State Government building and construction contracts in Deed-of-Grant-in-Trust communities and the shires of Torres, Aurukun and Mornington to include a clause specifying that 20% of the labour hours of the contract are to be sourced from the local community. Half of those employed under this policy are required to be in approved training. State agencies are additionally required to be flexible in the scheduling of the contracts to maximise employment and training opportunities.

ELIGIBILITY CRITERIA:

All State Government funded building and construction contracts in the specified locations.

RATIONALE:

Unemployment rates in indigenous communities are extremely high, and there are few opportunities available to develop additional employment opportunities with rural and remote communities. The construction industry in these communities is the largest on-going industry. However, the majority of contracts are won by contractors external to the community, who then fly labour in for the project, and on completion of the project leave, without having affected a skills transfer or added to the development of the local economy. Government agencies are substantial contributors to building and construction projects within the community, and this Policy enables government to intervene to ensure that skills and the opportunity for employment and economic development are available to the community. The building and construction industry is therefore a viable industry to develop a vehicle for on-going long-term employment, training and skilling of local people.

This Policy ensures that a local economy can be established and has the long-term intention of enabling Indigenous construction companies to tender for local projects, decreasing import substitution of labour.

FUNDING:

No additional funding has been provided for this Policy.

OUTCOMES:

As at 30 June 2003, employment and training opportunities have been created for 236 Indigenous people from the designated communities and shires through seven building and 46 civil construction projects under the Policy.

RELATIONSHIP WITH THE COMMONWEALTH GOVERNMENT:

The Commonwealth does not provide a similar policy, but has been advised of the State Policy, through approaches to departments and Ministers to develop similar provisions and to enable flexibility in scheduling to maximise employment opportunities.