



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**MINISTERIAL STATEMENTS**

**Employment**

**SPEECH**

**Tuesday, 24 February 2009**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

---

## SPEECH

**Date** Tuesday, 24 February 2009  
**Page** 1594  
**Questioner**  
**Speaker** OÖÇÖConnor, Brendan, MP

**Source** House  
**Proof** No  
**Responder**  
**Question No.**

**Mr BRENDAN O'CONNOR** (Gorton—Minister for Employment Participation) (3.45 pm)—by leave—We are a resilient people. Our history shows that Australians can pull together in a crisis and come out stronger. The wild bushfires and floods across our nation in recent weeks have brought devastation, but they have also inspired courage, resilience and compassion. In the face of our tragedy and loss, our determination to 'get on with it' is extraordinary. These virtues and our strength of spirit will help us get through the great economic challenge of the global financial crisis.

Our key trading partners around the world, including China and Japan, are reporting sharp contractions in their economies, resulting in reductions in the demand for our exports. Many Australians are feeling the effects of the global economic downturn. There is no question that we face tough times.

While our unemployment rate is still low by international standards, it rose from 4.3 per cent last July to 4.8 per cent last month. The Updated Economic and Fiscal Outlook forecasts an increase in unemployment to seven per cent by June 2010. This represents 300,000 more Australians out of work than in December 2008.

Unemployment is not just an economic loss; it is a human tragedy that turns the lives of ordinary Australians and their families upside down. The Rudd government know that beyond the job losses, the reduced hours and the fierce competition for jobs, there are people struggling to hold on to their homes and their aspirations. Our commitment to the Australian people and to the nation is to act now and provide effective support to those affected by a turbulent and tough global economy. Under these conditions, the Rudd government continue to take action to support Australian jobs by stimulating our economy and investing in the skills Australians need for the future.

We have taken unprecedented action through our \$42 billion Nation Building and Jobs Plan, which will stimulate economic activity in every local community across the nation and provide assistance to people and households on modest incomes. We are investing in training so that people can up-skill, giving them a better chance of getting or keeping a job and benefiting the nation in the long term. The training investment by the Rudd government will counter the likely reduction in business investment in training and skills development as many businesses feel the full effects of the global financial crisis.

While the global financial crisis is not within the government's control, we can and must intervene early to reduce its impact. That is why the Prime Minister, the Deputy Prime Minister and I have announced that the government are committing a further \$298.5 million to ensure that from today, for the next two years, newly redundant workers will be eligible for intensive employment services. Access to these services will become available from 1 April 2009. From now to 1 July, this early access will be provided through existing Job Network services, with redundant workers able to access Job Search training immediately, instead of waiting a minimum of three months. Providers will be able to purchase services and training for job seekers through a \$550 job seeker account credit.

From 1 July, this assistance will be provided through the Rudd government's new employment services, which are currently under tender. Workers made redundant will receive immediate personalised assistance, career advice, referral to available training places and Job Search help. They will have access to a personal employment pathway plan that will set out the services and training that they need to find and keep a job. The employment pathway plan is underpinned by a \$550 credit to pay for the specific assistance that job seekers need.

In addition to early access to personalised employment services, we will also invest a further \$75 million in 10,000 new training places at certificate III level and above in the Productivity Places Program. These additional 10,000 places will bring the total number of extra places for displaced workers to 20,000 and ensure those who are vulnerable have the skills they need to adapt to changing economic circumstances and meet the labour needs of employers now and in the future. The \$2 billion Productivity Places Program is a major long-term commitment that will deliver more than 711,000 training places over five years. Training places will continue to be allocated to job seekers and existing workers wanting to gain or upgrade their skills.

While unemployment is rising, we still witness many sectors of the economy suffering from the lack of suitably skilled workers. These new training places will provide an opportunity for redundant workers to re-train in areas of skill need. In providing 20,000 extra, targeted training places, the Australian government is addressing the challenge of supporting those who may need to re-skill or up-skill following retrenchment. The government is committed to making a difference to the prospects of ordinary Australians by investing in their future.

Receiving assistance earlier will help Australians who lose their jobs get back into the labour market as soon as possible. We know that connecting people quickly with employment services makes a big difference to their chances of finding work. This early intervention will ensure that people stay work ready, that they retain or improve their skills and are well placed to find employment.

This new package will add to more than \$4 billion that we are investing from 1 July in new, more effective, employment services. Today's announcement clearly demonstrates that the new service can be adapted to changing labour market circumstances. We are offering demand-driven employment services that are timely, practical and flexible. We are also increasing skills and training opportunities. The new employment services will assist each job seeker commensurate with the level of disadvantage they face. It is critical, even more so in these difficult times, that we do not allow the most disadvantaged to be pushed further to the back of the jobs queue. In contrast with the current Job Network, the new services will provide streamlined access to assistance and more support for job seekers to gain skills needed to fill existing and future vacancies. Given the current employment outlook, the government cannot leave the Job Network as it is, even for the next four months, and will immediately make existing Job Network services more flexible and more effective.

The job seeker account has been underutilised for years because of the burdensome red tape attached to it by the previous coalition government. The existing job seeker account will have applied to it the new Employment Pathway Fund principles. The new rules will mean providers will be able to support job seekers in a broader range of vocational and non-vocational assistance, like counselling or rehabilitation, to address their individual barriers to employment. Employment service providers will also be able to move credits between sites when they need to and, to further remove red tape, will require only an invoice or receipt for purchases of less than \$300. The Job Network quarterly service fee will also be adjusted to reflect increased job seeker case loads, recognising that job seekers should have access to quality services despite the failings of the outdated Job Network.

For many Australians, the experience of looking for work will be new. Indeed, some have never experienced unemployment in their working life. As a government, we know that strength comes from giving all Australians a 'fair go'—a fair go at a great education and a fair go at decent job opportunities and training. The government's investment in these key areas is an investment in the nation's future productive capacity and will ensure Australian job seekers remain connected to training and the job market.

I ask leave of the House to move a motion to enable the member for Boothby to speak for 9½ minutes.

Leave granted.

**Mr BRENDAN O'CONNOR**—I move:

That so much of the standing orders be suspended as would prevent the member for Boothby speaking for a period not exceeding 9½ minutes.

Question agreed to.