

## Union Action Plan for Jobs

The commodities boom will not last forever. To secure the gains from the boom for the next generation of working Australians, and to prosper in a climate constrained world, we need to put long-term sustainable job creation at the centre of economic policy. Secure jobs that pay decent wages and have workplace rights can be built on our economic strengths.

A hands off, 'leave it all to market forces' approach to the issues in our economy would be a high-risk venture. We know from experience that taking a hands-off approach to the future of Australian jobs will mean that the number of workers in insecure work will continue to grow. Action is needed to ensure that all Australians have access to good, secure jobs.

The key to productivity growth that delivers higher real incomes is investment in skills and infrastructure and better management. Cutting wages and working conditions does not promote productivity growth.

We believe a concerted, cooperative action plan is essential to ensure secure and sustainable jobs in tomorrow's Australia. A finished blueprint requires sustained discussion, research and a willingness to think outside the boundaries of failed policy orthodoxies, and a commitment by government to engage all major stakeholders in our economy.

An **Action Plan for Jobs** should include the following:

1 Audit and independent review

- Government should commission an independent review, led by representatives from unions, employers and key government departments, that is charged with identifying the scope that presently exists for all levels of Australian government to promote jobs in procurement practices and other forms of expenditure including grants and other programs. As part of its work the review should also audit the extent to which local trade-exposed industries currently benefit from public contracts.

2 Government funding for public projects and services

- The minimum local content for spends should be defined by jobs created rather than money spent; granting price preference to Australian companies based on the whole of cost where the project is located in regional areas.
- Government procurement of services should be streamlined through tripartite sectoral panels selecting preferred contractors/providers according to fair contracting principles.
- The definition of an SME for tendering purposes should be increased to 500 FTEs or fewer. Government should take steps to encourage and facilitate the participation of SMEs in the tendering process and, whenever possible, set aside a certain proportion of contracts to be awarded to SMEs.

- Compliance with agreed industry best practice programs should be required, for example Clean Start and Ethical Clothing Australia (ECA).
- Recipient companies and organisations must be compliant with Fair Work Act and labour standards. If these companies are in (or source work-wear etc from) the TCF industry, they must be (or do so from companies that are) compliant with or accredited by ECA.
- Compliance with all ILO conventions should be mandatory in the event that off-shore contracts are awarded.
- A high skills development and training agenda, including minimum numbers of training places, should be integral.
- The \$14.8 billion in Clean Energy Future investment programs should be linked to government policies to promote research and development, and to regions that have existing manufacturing bases.

### 3 Procurement practices by private companies within Australia

- All firms engaging in an Australian resources project should be required to provide information on: how local manufacturing firms will be given a fair opportunity to participate; how they will become part of the supply chain; what percentage of total spend will comprise local content; and why local manufacturers are being excluded.
- The Fair Work Act should be amended to allow the inclusion of clauses in certified agreements that require the employer to purchase ECA accredited work-wear, uniforms, protective clothing and boots.
- Allow for an accelerated rate of depreciation on assets that include a specified percentage of Australian local content.

### 4 Job loss assistance and tracking

- Where jobs are lost despite government and employer action, impacted workers must have access to a training allowance which encourages and facilitates meaningful retraining. Further, government should commission research to track the labour market outcomes and impact of redundancy for representative samples of workers who are made redundant. Further, there should be a gender based analysis of job loss, government industry assistance and employment opportunities in relation to industries affected by structural change.

### 5 Paying for quality care

- The federal government must commit to implementing the decision of Fair Work Australia in the equal pay case.
- Early childhood education & care: a federally funded professional wages stream, implemented via an industrial instrument, is essential as the only means of securing a stable and professional workforce.

- Aged care: a new funding mechanism is needed that factors fair and competitive wages into a transparent indexation system. This mechanism must be designed to guarantee that additional funding translates into higher wages for nurses and related aged-care occupations via registered industrial agreements.

## 6 Offshoring

- Review the tax system to remove any incentives for companies to offshore and instead create incentives for Australian and overseas companies to develop new capacity and target competencies in Australia.
- Introduce 'right to know' legislation that will enable domestic customers to support those companies that source their services from within Australia.
- Establish reviews of the Australian financial services and business services industries, each led by representatives from employers, unions and training organisations, with the aim developing a long-term strategic vision for the industries based on developing new skills and industry capacities, building global linkages, identifying long-term market opportunities, and a recognition of the desire by employees to pursue stable and rewarding careers within the financial and business services sectors. This should involve identifying the potential for job creation and skill-development that stronger linkages between universities, industry bodies and training institutions can promote.
- Leverage the roll-out of the NBN to build competitiveness and productivity as part of strengthening regional job markets.

## 7 Skilled migration

- Limit the use of 457 visas to categories of labour where there is a clear and on-going shortage of appropriately-skilled workers in Australia. As a priority, the government should conduct an audit to identify if the numbers of 457 visas being issued are justified by reference to present labour market conditions.

## 8 Anti-dumping and fair trade

- Build on the establishment of the International Trade Remedies Forum to clarify the meaning and proper implementation of key WTO provisions, and commission a detailed examination of at-risk companies and communities to make recommendations that will help to maintain and expand manufacturing employment in those areas.
- Provide unions with a statutory right to petition for anti-dumping investigations.
- Review and identify the anti-competitive barriers maintained by other countries in sectors such as meat processing with the aim of urgently negotiating their removal.

## 9 Effective labour rights

- All Australian trade agreements should include: a comprehensive commitment to core labour standards (embodied in ILO conventions) and acceptable conditions of work; a non-derogation clause and a commitment to continue to strive to improve labour standards; monitoring and enforcement of labour rights commitments, including dispute settlement procedures, and penalties if found to be non-compliant; effective governance and capacity building measures.