

Ai GROUP's 2022 FEDERAL ELECTION POLICY PROPOSALS IN A NUTSHELL

Statement by Innes Willox

Chief Executive of Ai Group, Australia's national association of employers

In the lead-up to the official campaign for the 2022 federal election Ai Group has released a series of Pre-Election Policy Papers that reflect the policy priorities of our members and support Ai Group's ambition for *thriving industries and a prosperous community*.

The key policy proposals and directions put forward in Ai Group's Pre-Election Policy Papers are summarised below.

The full set of Policy Papers is available at [Ai Group's 2022 Election Policies](#) and individual papers can be accessed via the **embodied links** below.

Skills Development, Education and Training

Greater investment in, and improved approaches to **Skills Development, Education and Training** are fundamental to Australia's future prosperity and the opportunities available to our citizens.

Ai Group proposes substantial and ongoing improvements to align Australia's approach to qualifications and our education and training arrangements with the skills required in the face of rapid social and economic changes. This should include strong encouragement for closer collaboration between vocational education and training, universities, employers and the broader community.

A new and greater emphasis should be placed on work-based learning and work-integrated learning. This requires a genuine and ongoing commitment to the training areas covered by our current approach to apprenticeships and traineeships and an extension of work-based learning and work-integrated learning to a much broader range of occupations.

Australia also needs to give much greater attention to the development of foundation skills both for future and current members of the workforce. Appropriate digital skills should now be regarded as foundation skills and the potential for the workplace-based development of foundation skills should be tapped and supported.

Workplace Relations

To revive the role of **Enterprise Agreements** in Australian workplace relations, Ai Group proposes sensible and fair changes to the statutory requirements the Fair Work Commission must apply when approving such agreements. Current requirements and their interpretation have seen many agreements rejected and are deterring employees and employers from negotiating new agreements and from accessing this source of productivity improvement.

It is critical that flexibility over **Forms of Employment and Engagement** is retained both for employers and the people they engage. Additional constraints, including on casual employment and independent contracting, would cut off options for work and deny businesses and other employers the agility they need to adapt to changing work preferences, technologies and competitive pressures.

Women's Workforce Participation and Gender Diversity in workplaces should be an important area of focus in the next parliamentary term. More accessible early childhood education is needed particularly for people working in non-traditional work arrangements. Extending childcare support

to in-home delivery and supporting more early child education and care training placements are central to greater workforce participation and diversity in workplaces. Ai Group also proposes the adoption of a publicly funded Family and Domestic Violence Leave Payment to apply to people who are unable to work because they are experiencing family or domestic violence.

Australia's **Safety Net of Minimum Conditions** needs to be simplified and brought up to date. Matters that are covered in the National Employment Standards should be removed from awards. Minimum levels of flexibility over hours of work and work periods are required to accommodate contemporary work patterns as are arrangements to give legal effect to such flexibilities agreed between employers and employees.

Developing Australian Industry

Industry Policy measures have a key role in accelerating a return to real incomes growth and improve productivity performance. Ai Group recommends policies to lift Australia's business capabilities – particularly for small and medium-sized businesses; to encourage the development of high-growth and high-value industries and businesses; to support business innovation and to reduce the economic and social costs associated with the transition of disrupted businesses and their workforces.

In the context of the reassessment of the adequacy of Australia's security that is currently underway, Ai Group proposes matching the investment program for Australian **Defence Industry** capabilities with the national security strategy; improving the development of domestic Defence capabilities and their acquisition and sustainment; and developing a new approach to boosting Australia's sovereign defence industry base and its supply chains.

International Engagement by Australian businesses is central to our national prosperity. Continued development of economic and security alliances, regional relationships and trade agreements as part of our national effort to improve the global investment and trade environment is a key underpinning of such engagement. Policy should also support the competitiveness of these businesses and their engagement capabilities – particularly after the disruptions of the past couple of years.

Ai Group recognises that Australia's **Supply Chains** are a critical part of our national infrastructure. We propose policy action to monitor the continuity of supply of critical inputs and to work with industry to address problem areas; to lift the competitiveness of our maritime ports; and to invest further in the Simplified Trade System to ensure its potential is fully realised.

Energy, Climate and the Environment

The next Government will take office amid intense energy price pressures. But over the next three years **Energy and Climate Policy** can set Australia up to achieve a new clean energy advantage and a thriving and clean economy. Working with the states and territories, industry and others, the Commonwealth must help prepare for faster, more coherent and successful transitions.

The federal government should take a leadership role in the **Circular Economy** transition through the creation of a cross-portfolio Circular Economy Strategy; value-adding procurement processes, encouragement and investments in support of the circular economy; recognition of credible international certificates and labelling; and further development of Australia's approach to product stewardship.

Taxation and Intergovernmental Financial Arrangements

Australia's **Taxation and Intergovernmental Financial Arrangements** are a brake on our capacity to capitalise on our economic and social opportunities. They are adding unnecessarily to the cost of living and the costs of doing business. There is considerable capacity to boost the efficiency, simplicity, sustainability, fairness and competitiveness of taxation while at the same time improving the transparency and accountability of government and the quality and productivity of public sector services.

Despite the extent of the prospective gains, the scope for improvement is constrained by political timidity, entrenched positions and widespread misapprehension.

The next government should back national efforts to lift communitywide understanding of the options available and the scope for trade-offs, including through adjustments to intergovernmental financial arrangements and changes to Australia's income support arrangements. Simultaneously, the federal government should bring together the states and territories to develop actionable approaches to the progressive remodelling of taxation and intergovernmental finances.

Skilled Migration

Ai Group strongly supports Australia's permanent and temporary migration programs and the strong focus on **Skilled Migration**. Immigration targets should be raised and barriers removed to make up for the low levels of migration in recent years. This is a fundamental cause of the current skills shortages that are constraining our economy and the ability of Australia's businesses to contribute to its further development.

Pandemic Preparedness: Harmonisation of Regulations

A priority of the incoming government should be to lift our **Pandemic Preparedness**. Considerable confusion continues to be associated with the myriad of rules, regulations, guidelines and advice in relation to COVID-19 across the federation. This has caused confusion and inadvertent non-compliance; it reduced the effectiveness of measures; and it has unnecessarily raised the costs and inconvenience of compliance. Businesses and other organisations that operate in more than one state and territory have found it particularly difficult to inform themselves about, and comply with, the multitude of different approaches.

Australia's governments, in consultation with business and others, should expedite the development of common definitions, rules, advice, guidelines and legislation governing measures put in place to reduce the severity of, and disturbance caused by future outbreaks of COVID-19 and similar disruptions.