

The Case for a



# JOB GUARANTEE

**AUGUST 2022 REPORT**

**SUSTAINABLE PROSPERITY  
ACTION GROUP**





# WHY WE NEED A NATIONAL JOB GUARANTEE IN AUSTRALIA

## SUSTAINABLE PROSPERITY ACTION GROUP

## AND HOW WE CAN MAKE IT HAPPEN

*This report was written by members of the Sustainable Prosperity Action Group (SPAG). The group formed following the 2020 Sustainable Prosperity conference in Adelaide with the aim of achieving urgent climate action and better economic and social justice for all Australians, and especially those in need.*

*Our group comprises economists, researchers, health professionals, educators, organisers and activists from all walks of life. SPAG is a not-for-profit organisation funded by individual donations and is not aligned with any political party.*

We thank the Living Kurna Cultural Centre and Zoe Gordon for consultation about a Job Guarantee and First Nations Australians.

More information about the Sustainable Prosperity Action Group is available at our website [www.sustainable-prosperity.net.au](http://www.sustainable-prosperity.net.au)

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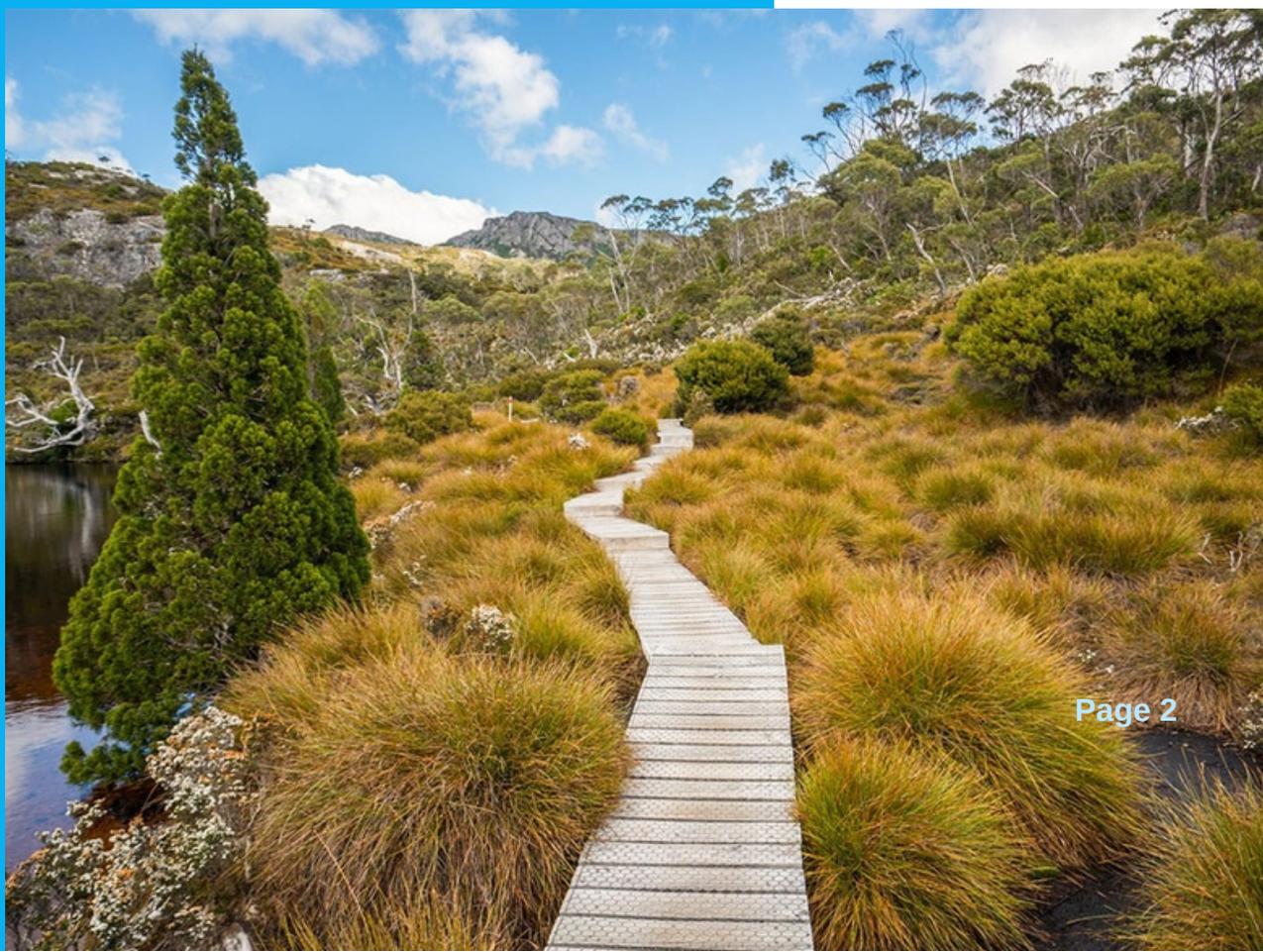
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# SUMMARY AND RECOMMENDATIONS

We propose a National Job Guarantee for Australia that is federally funded, nationwide and permanent. It would be voluntary, not for profit, and carbon negative. Job Guarantee positions would be paid at the minimum wage, could be either full time or part time, and include paid leave, WorkCover, and superannuation entitlements.

A National Job Guarantee would benefit unemployed and underemployed people by reducing poverty, facilitating skill development, and enabling participation in meaningful work. Small and large businesses would benefit from increased demand for goods and services, plus easier recruitment of skilled and motivated workers. The economy would benefit from smoothing out booms and busts, and an increased use of total national workforce capacity. Society benefits with increased inclusion and reduced inequality. The environment benefits because a significant number of Job Guarantee programs would be directed towards environmental restoration and repair.

Job Guarantee programs would be aligned with national goals and meet local needs, as determined by genuine local consultation. Regional Job Banks would be set up to match workers with positions available. We recommend that initial programs are implemented through Local Government and community-based Aboriginal and Torres Strait Islander organisations.



### WHY WE WROTE THIS REPORT

Our goal is to provide a compelling argument for a permanent National Job Guarantee in Australia. This is a key policy for building a cohesive country with a population that cares for each other, for the land and for the climate. The Job Guarantee would provide employment for all who want to work, and be an essential part of our sustainable future, for both the environment and for society. A National Job Guarantee is a real and lasting reform that could be implemented now and deliver immediate benefits.

Our aim is for this report to give a vivid and detailed look at a National Job Guarantee for Australia, so that the reader can see who would participate, how it would be funded, and how it would operate in real life. We explain how a National Job Guarantee would: a) address the chronic poverty experienced by many unemployed or underemployed people and welfare recipients b) ensure that everyone who wants to work has an opportunity to do so c) provide a means to deliver vital programs and services needed to recover and restore our eco-systems d) increase social cohesion and community care e) reduce exploitation in the broader workforce.

### BACKGROUND TO THE REPORT

The Sustainable Prosperity Action Group held a two day conference with over twenty participatory workshops in April 2022 involving a broad range of individuals interested in a National Job Guarantee. The results of those discussions are incorporated in this document. We have also consulted with specific groups, such as the Arts sector, Unions, and First Nations People.

The report is also informed by two deliberative forums conducted by SPAG: workshop in January 2022 and an online forum to discuss the relationship between a Job Guarantee and volunteers (June 2020).

This report is a living document and will continue to be updated.

*We are creating millionaires on the back of the long-term unemployed by paying providers to offer a failed service. The people that win are the service providers, not the unemployed or the employers... The whole system needs to be turned on its head.*

*Council of Small Business Organisations Australia CEO, Peter Strong.*



# THE CASE FOR A JOB GUARANTEE

## WORK IS A HUMAN RIGHT

Article 23 of the Universal Declaration of Human Rights says that everyone has the right to work, to free choice of employment, and protection against unemployment. Yet work has increasingly come to be seen as a privilege rather than a right; a prize in a competition for survival, rather than an essential component of life.

The unemployed have been demonised as lazy losers and punished for their situation. This has been a terrible outcome for those individuals and for the community as a whole. Very few people are “lazy”; almost everyone wants to work; to support themselves and their families, to exercise their particular skills and talents, and to be socially useful.

Meaningful work makes a contribution to society or the environment that offers purpose and connection. We recognise that other structures and approaches can also serve these principles, but we are focusing on work due to its predominant role in our society, economy, and culture.

### A Job Guarantee should be:

- Available to all citizens or permanent residents aged 18 and over
- Federally funded
- Not compulsory
- Not for profit
- Nationwide
- Permanent
- Carbon negative

### KEY FEATURES OF A NATIONAL JOB GUARANTEE

### A Job Guarantee should NOT be:

- “Make-work”: all work should be on programs and projects that are needed and beneficial to the community and/or the environment; the jobs do not rely on the creation of large scale infrastructure
- Work for the dole: any existing schemes that require work in return for welfare payments would be abolished, as the Job Guarantee will provide real jobs
- A replacement for existing public sector or private sector jobs



## WHO BENEFITS FROM A NATIONAL JOB GUARANTEE? ALMOST EVERYBODY.

### Benefits to Individuals

#### *Positive benefits*

- Increases mental health and overall wellbeing; provides a basis for a life lived more positively.
- Gives people a sense of dignity, belonging and contributing to society as the Job Guarantee positions are needed and meaningful work.
- Improves physical health.
- Improves child development as children grow up in households that are more secure and able to support them.
- Helps protect against exploitation and wage theft by employers.
- Develops skills and experience, making it easier to transition to higher paid work, or to start one's own business.
- Increased stability helps people to plan their lives and simplify life management.

#### *Avoiding negative outcomes*

- Reduces poverty, misery, stress and despair.
- Helps people to leave situations of domestic violence and coercive control.
- Reduces crime
- It is probable that having meaningful work and daily engagement with others will reduce the negative effects of social isolation, such as being drawn into unsafe online areas like gambling or radicalisation. This not proven but is a potential impact that should be researched.



*Perhaps best of all, a Job Guarantee can remove the threat of the sack from those in poorly paid, insecure jobs with poor working conditions. It can begin to correct the excessive inequality which has been allowed to develop in Australia over almost half a century. It can permanently eradicate the non-financial costs of unemployment, improve social well-being, and have a diverse range of benefits beyond ending the waste of resources which goes with forced idleness.*

*We live in an environment where jobs are under threat from automation or the need to reduce or eliminate some activities to limit climate change, and where the implications of dividing up a society between those in secure jobs and those who no longer have easy access to employment are well understood. It is inevitable that the role a Job Guarantee could play in a transition to environmental sustainability and social justice will come increasingly under the spotlight.*

*Steven Hail, 'The Return of Full Employment' (2021) Australian Fabians Review*

## OTHER BENEFITS INCLUDE ...

### **Benefits to the environment**

- Contributes to reducing overall greenhouse gas emissions
- Mitigates the effects of rising temperatures by greening urban areas
- Preserves and restores habitat for plants and animals; protects against further extinctions
- Saves our precious and unique environment for the future

### **Benefits to local communities**

- Local communities have their needs met for better public spaces, more local services, new infrastructure, and completion of useful projects; many of which have stalled or been on the back-burner for years.

### **Benefits to the economy**

- Australia becomes more productive, using the full capacity of its workforce
- The economy becomes more stable, smoothing out booms and busts
- Economic recovery is faster because more workers with relevant skills are available
- Improved coordination of the education/training and labour sectors helps avoid future skills shortages and expenditure on training for non-existent jobs
- Full employment reduces the need for healthcare (including mental health) and correctional services

### **Benefits to small business**

- More spending by job guarantee workers puts more money into the local economy, because less well-off people spend a greater proportion of their income, and spend it on local goods and services
- More people working makes it easier to find skilled and motivated staff

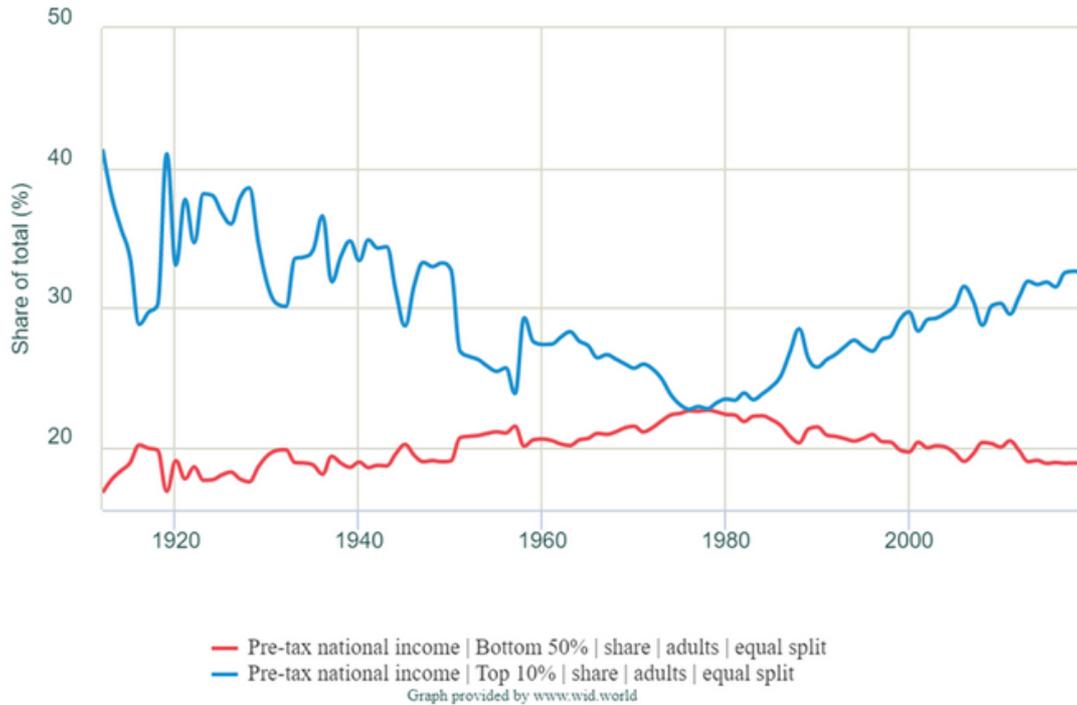
### **Benefits to big business**

- Increased economic and workforce stability improves the effectiveness of planning
- Higher revenue
- Access to a larger pool of skilled, motivated workers for recruitment

### **Benefits to the Australian community as a whole**

- A National Job Guarantee would make Australia more equal, more cohesive and more productive.

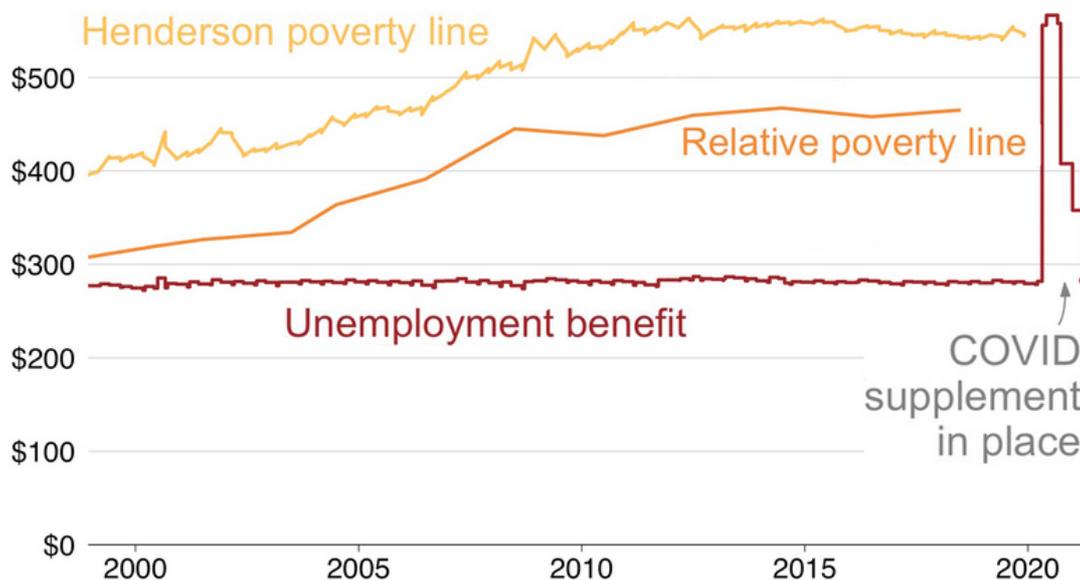
## INCOME INEQUALITY IN AUSTRALIA 1912-2019



*The inequality in the Australian labour market is not some accident. It's not some undiscovered problem that is yet to percolate to the top of the political agenda because of the lack of evidence. A lot of powerful people in Australia are entirely happy with it.*

Richard Dennis, *The Australia Institute*

## POVERTY LINES AND UNEMPLOYMENT BENEFITS PER WEEK *Grattan Institute, 2021*



## WHO MIGHT OBJECT TO A JOB GUARANTEE?

### Businesses who exploit their workers

- Those businesses which profit from wage theft and exploitation would find it hard to retain staff, as workers could easily shift to alternative employment in the Job Guarantee scheme.

### For-profit employment agencies

- For profit employment agencies would not receive any more Federal funding, as their function would be taken over by the Job Bank (see section 4).
  - Some of the staff that work in these agencies could transition to working with the National Job Bank.

### Poor quality training organisations

- These range from unnecessary, time-wasting courses to outright scams. Their business model would be disrupted when people are able to access genuine work.



*A job guarantee has the potential to enhance the quality of paid work across all sectors, as employers in the public, private and not-for-profit areas would need to guarantee employees at least equal or better conditions than the job guarantee.*

*Anglicare Australia, Five Ideas Australia Needs Now (2022)*



## PRACTICAL EXAMPLES OF HOW THE JOB GUARANTEE COULD WORK

### Young People and the Job Guarantee

Jason (aged 22) left school without completing SACE and couldn't settle on what to do. He tried several short term jobs but they were all casual and didn't last. When the Job Guarantee became available he took up a position in environmental management removing feral trees and weeds from conservation reserves. He likes being outdoors and likes the company of other people on the program. With this regular income he's been able to move out of his parents' place. He's now become interested in horticulture and has signed up to start a part-time course.

### Older Workers and the Job Guarantee

Eloise (aged 56) has 3 adult children and has done project officer work for various Not-for-Profit organisations. The funding for her projects dried up and she has had no success with many applications over the past two years. She lost her confidence and became very worried that she would never work again. She started a market stall on the weekends but the income was irregular and not adequate to support herself. In the Job Guarantee she got a position driving a community bus and helping elderly residents do their shopping. She thought this work didn't use all her previous skills, but being back in a work environment increased her confidence and gave her several leads to follow up; now she is very pleased that she has been offered a project officer job with a nearby Council.

### The Arts and the Job Guarantee

Bao-Yu (aged 28) recently finished a degree at art school. She got excellent grades and had an exhibition which cost a lot to put on; now she is really struggling financially, and there seems no way she can make a go of being an artist. She decides to work half-time in the Job Guarantee to support herself, while the rest of the week she applies for grants and fellowships and continues her art practice.

## An Aboriginal Community project and the Job Guarantee

This example is of an actual project, under development in 2022. The Kaurna people of the Adelaide Plains want to restore the Sturt River from a concrete drain to a living waterway. As a major project, expert positions such as hydrology, surveying and project management would be funded by the state and federal governments, however the project will also create about 100 jobs which would be suitable for Job Guarantee positions. With a National Job Guarantee the project could apply to the Job Bank and also go through local Kaurna contacts to find people to work on the project.

## Employment transition and the Job Guarantee

Rod (aged 48) was laid off when the car industry closed down several years ago. He had help with transition initially but hasn't been able to get regular work since then. He has a wife and two children aged 15 and 11. He has been feeling very low recently, arguing with his family and feeling useless. In the Job Guarantee he was able to start work straight away with a program that maintains historic buildings. The pay is lower than he ideally wants but now his motivation and mental health has improved and he is actively seeking other work.



*During our site visits, we spoke with nearly 100 individuals who were Jefes [Argentina's Job Guarantee] workers. When asked “would you prefer to receive the benefit of the Jefes program but stay at home,” **every single one, without exception, said that they would not want to sit at home and that they preferred to go to work.***

*When asked “why”, the most common responses were that 1) they felt (or would feel) useless sitting at home, 2) they felt like they were helping the community when they were working, 3) there is dignity in working, 4) they were meeting their neighbours and 5) they were learning new skills.*

*Pavlina R. Tcherneva and L. Randall Wray*

## SECTION 3

# HOW TO PAY FOR A JOB GUARANTEE

Modern Monetary Theory explains how a Job Guarantee is affordable. There are three core statements at the heart of Modern Monetary Theory:

1. Monetary sovereign governments face no purely financial budget constraints.
2. All economies, and all governments, face real and ecological limits relating to what can be produced and consumed.
3. The Federal government's financial deficit is everybody else's financial surplus.

Australia has its own sovereign currency which is issued only by the Federal Government. These newly created Australian dollars are used to pay Commonwealth public servants, to provide grants to the private and non-government sectors, to pay for programs it runs, and to help fund State and Local Governments. These newly created dollars are not raised by taxation and are not owed to anyone.

Historically, monetary sovereign governments have created billions to fund wars, space exploration, major infrastructure projects, and support in emergencies such as the Global Financial Crisis, and the COVID pandemic. The money is created at the stroke of a keyboard and adding to the bank accounts of suppliers, all without increasing inflation. When federal taxes are collected, those tax dollars are simply deleted out of the monetary system.

Modern Monetary Theory does not advocate that the Federal Government be given unlimited licence to issue money to do whatever it wants. Instead, to avoid inflation, it should only issue new money to fund goods, services, and programmes where a genuine societal need exists, and where sufficient natural resources and unutilised productive capacity are available so that the aims of the funding can be achieved.

*For example, it is not inflationary to issue money to:*

- Employ unemployed people
- Pay farmers to improve their land
- Increase grants to the arts and cultural activities

*But it is likely to be inflationary to:*

- Increase home buyer grants, because unless there are more houses to buy, this will simply put up the price of housing
- Start big infrastructure programs while there is a shortage of skilled labour.



Stephanie Kelton | TEDMonterey

**The big myth of government deficits**

# IMPLEMENTING A JOB GUARANTEE

The following elements would be needed to make the Job Guarantee work in practice:

## Work Needs Assessment

Job Guarantee programs and projects would be aligned with national social and environmental goals. Initiatives would be submitted to the National Job Bank for funding approval. The planning, implementation, and evaluation would occur locally, with communication and oversight from the Federal body. The local planning process would involve consultation with all relevant stakeholders in order to identify local needs and recommend where Job Guarantee positions would lie within specific (existing or planned) programs and projects.

Key stakeholders would include (but not be limited to) regional development boards, the not-for-profit sector, environmental groups and local government. This process must be open, transparent, and have genuine local community input.

## The Job Bank

The Job Bank would be operated by the Federal Government, with physical branches in major centres and an online capability. It would have two main functions:

1. A Job Matching Service, where available positions are matched to the preferences of people applying for work.
2. A Workforce Planning Centre. The Job Bank would use labour market data to plan ahead for when and where Job Guarantee positions are likely to be needed.

## Centralised policy unit

The federal public service would need a section that oversees the Job Guarantee program to ensure it is working well. These specific activities could be undertaken:

- Conducting evaluations incorporating outcome and productivity measures, plus feedback and satisfaction ratings from employers, employees and other parties with a key interest in outcomes. Research evaluations could also be undertaken or commissioned by the Unit
- Preventing misuse of funds by auditing and following up reports of suspected misuse from participants and/or the public
- Investigating complaints and conducting dispute resolution
- Producing publicly available reports about activities and outcomes
- Making recommendations to the Australian Government on how the Job Guarantee can develop and respond to changing circumstances.



*The Job Guarantee is the next big, common-sense idea for economic reform.*

*James K. Galbraith*

## JOB GUARANTEE EMPLOYERS

### Public Sector

Initially, we recommend that Job Guarantee workers be employed by the public sector, either federal, state or local. Our consultations indicate that Local Government would be a good place to start, as they cover all of Australia, are used to consulting with their communities about local needs, and have the infrastructure to take on additional workers quickly.

### Not-for-profit Sector

Not-for-Profit organisations may also take on Job Guarantee workers, by applying to the Job Bank. The most pressing need is for First Nations community based organisations to be able to both increase employment and manage projects that care for country and community. Other not-for-profit organisations across Australia could follow. The potential risks of workers being exploited or funds being misused could be mitigated by payments to all Job Guarantee workers being made directly from the government, rather than through a grant to a Non-Government Organisation.

### Private Sector

Private, for-profit organisations should not be eligible to employ Job Guarantee workers. Two principles that underpin this are:

- The Job Guarantee should not be competing with the private sector.
- The Job Guarantee program should not create incentives for profits to be made from operating Job Guarantee programs.

*A core principle of a job guarantee is that it is person-centred, accepting each person as they are and where they are, and fitting a job to their expressed interests and skills. This allows people to invest in their community where they have existing networks and social connections, and build on their strengths and aspirations.*



*Essential to the job guarantee is a broader recognition of different kinds of contributions people can make to society and an expanding imagination of what paid work could be. For example, job guarantee positions could be social and community services drawing on individual strengths and interests, such as assisting with local art classes, community visitor schemes, or Aboriginal and Torres Strait Islander communities taking care of land.*

## WORKING CONDITIONS IN A JOB GUARANTEE

### Broad principles

Job Guarantee positions should meet these general principles:

- Community defined and community specific in implementation
- Culturally appropriate
- Intrinsically motivating
- Have supervision, accountability and transparency

**Wages:** there are two possible models, the choice of which should be subject to community consultation by the Australian Government. The overarching principle is that Job Guarantee positions should provide a genuine safety net for workers whilst not competing with other public and private sector work.

1. All Job Guarantee positions would be paid at the Australian Minimum Wage as set by the Fair Work Commission, which should allow for annual adjustment in line with inflation. This would set the same floor for both public and private sector wages in Australia.
2. Job Guarantee wages could be set in accordance with award minimum wages for relevant sectors, as negotiated by the relevant union. A disadvantage of this system is that some Job Guarantee positions are likely to be paid more than others, thereby adding complexity to the system.

**Security:** Job Guarantee positions would be permanent, after a probationary period. No-one can be compelled to leave the Job Guarantee (unless this is the end result of a disciplinary process), however, many projects under the scheme are likely to be time-limited, so in this case workers would need to move to different projects or programs.

**Flexibility:** hours would be full time or part time, depending on the preference of the participant. We suggest a minimum of 15 hours a week. Some Job Guarantee positions could be based on outcomes rather than a fixed number of hours a week, such as Aboriginal and Torres Straight Islander people caring for country or producing artworks.

There is also the flexibility to leave and then re-join the Job Guarantee with no adverse consequences. This would be useful for people with caring or cultural responsibilities, or those who want to take time out for study or travel. An exit time could be specified; for example after 8 weeks of not working in the Job Guarantee program, the worker would leave the system. When not in the Job Guarantee program, those with no other sources of support would be eligible for welfare payments, which we recommend be replaced by a Basic Income system.

**Entitlements:** Job Guarantee positions would include sick leave, holiday pay, long service leave, superannuation, WorkCover and the other usual entitlements, including the right to join the relevant union.

**Supervision and Management:** Job Guarantee positions would need team leaders, supervision and human resources management. These are not Job Guarantee positions as such, but are provided by the employer, as for their other employees. The ratio of Job Guarantee workers to supervisors would vary across different types of work, but would be in line with current best practice, and also subject to review by the entities overseeing and coordinating the program.

**Progression:** by definition, Job Guarantee positions are entry-level and paid the minimum wage, so it is not possible to progress within the Job Guarantee program itself. However, the Job Guarantee could encourage progression in these ways

- The Job Bank could prioritise Job Guarantee projects that provide an “incubator” i.e. assist people to move to higher skilled and higher paid positions over time, within the mainstream public or private employment systems.
- Job Guarantee positions need to allow flexibility for concurrent education and training.
- Job Guarantee workers should be encouraged and expected to apply for other work, and given time off for interviews. Thus there will be no need for employees to hide the fact that they are looking to move on.



## SUGGESTED SOLUTIONS TO POTENTIAL ISSUES

As with any newly introduced program, there is the potential for issues to arise. Examples are listed below, together with preliminary practical suggestions for resolution.

### **Employee-Competence Mismatch**

**Underskilled** - Job Guarantee workers may be assisted by on-the-job training, directed to training opportunities, or moved to another position that is more suitable.

**Overskilled** - In the short term, Job Guarantee employees would need to live with this, particularly if people are taking up positions to fill temporary gaps in their working life. However it becomes a real problem in the longer term when a person may be in work for years that does not utilise their skills and talents. The Job Bank should help these people to find other positions, either externally or by encouraging their employers to move them to established positions within their organisations. Unions could also take up this issue for individuals or groups.

### **Unsuitable Employees**

Initially the Job Guarantee employee who is unsuitable would be assisted in-house, like any other employee. If the problem is simply that the person's work is below expectations (which may be due to a long period of unemployment or a disability) then the Job Guarantee program could indicate and encourage the person to access sources of support.

If a Job Guarantee worker is found to endanger others through acts of bullying, harassment, racism, sexism or violence, then as well as termination of their current position, they could be excluded from the whole Job Guarantee program for a period of time.

### **Unsuitable Employers**

Acceptance as an employer into the Job Guarantee program would require the employing organisation committing to basic guidelines (eg occupational health and safety), plus guidelines related to supporting Job Guarantee workers. As the Job Guarantee program expands to a larger number of organisations, the risk increases that some may develop exploitative practices or an unhealthy (even toxic) culture. Systems and processes will need to be established that facilitate reporting to the Job Bank, plus remedial actions, such as liaison with the employer or potential suspension or withdrawal of the employing organisation from the Job Guarantee program.

### **Dispute Resolution**

As applies in any employment environment, if in-house methods fail, other means of resolving difficulties could be:

- Involving the relevant union
- Mediation conducted by the Job Bank
- Referral of the issue to an appropriate Administrative Tribunal or an Ombudsman's Office

# THE CONTEXT OF A JOB GUARANTEE

The Job Guarantee is one element of the reforms needed to achieve greater productivity, participation, equality, equity, health and environmental sustainability in Australia.

Other positive policies and programs that are also needed include:

- Adequate funding for the existing health and education sectors
- A liveable welfare payment set above the poverty line for those who cannot or choose not to work
- An expansion of the public service to enable high quality policy and program administration, implementation and evaluation.

However, even without such reforms, evidence from similar programs around the world indicates that a Job Guarantee would significantly contribute to Australia's prosperity into the future, by creating a climate-friendly, counter-cyclical buffer to help the nation withstand economic shocks. This would make Australia's prosperity far more sustainable, both economically and ecologically.

## EXAMPLES OF JOB GUARANTEE PROGRAMS

Job Guarantee programs have been implemented across the world in places as diverse as Argentina, India, Sweden and the United States. Some have been limited to young people, as in Belgium and the United Kingdom. Pavlina Tcherneva has a more detailed description of various programs in her book, *The Case for a Job Guarantee*, Polity Press 2020. Australia enjoyed full employment and prosperity during the 1950s and 60s when public sector work was available on a broad scale.

However, most programs around the world have been temporary and implemented in response to a crisis. A permanent, ongoing program would deliver more benefits, more equality, and more stability to Australia.

## WHAT ABOUT A UNIVERSAL BASIC INCOME (UBI)?

Some advocates have proposed a Universal Basic Income whereby every citizen receives money from the Federal Government with no obligation or conditions attached. This is seen as a solution to the problem of loss of jobs due to automation and a decline of some industries, or as a means of transitioning to a less work-focused society. A UBI is sometimes proposed as an alternative to the current level of unemployment benefits, which are woefully inadequate and clearly need to be increased to bring people out of poverty.

**A Job Guarantee is more effective than a UBI because:**

- Work offers purpose, meaning, skills and connection to participants.
- The Job Guarantee would enable much-needed work in environmental and community care to actually get done.
- A Job Guarantee improves the productivity of the whole of Australia.
- A Job Guarantee would attract more political and community support than a UBI, because of its appeal to both workers and employers.
- A Job Guarantee is easier to implement than a UBI because it is a new stand-alone program. It is not necessary to also reform the tax system and the welfare system at the same time.

**Furthermore:**

- Paying the UBI to wealthy people is unnecessary and increases inequality. A Basic Income should be paid to those who need it and *universal basic services* (eg health, housing and education) should be assured.
- Issuing money to everyone in the population, without regard to either economic cycles or limitations on natural resources, is likely to cause inflation due to supply shortages and price increases.

Because the Job Guarantee is voluntary, we propose that it is partnered with a Basic Income Guarantee, which is not universal but available to those who are unable to work or choose not to work.

It would be means-tested and set at a lower rate than the minimum wage, but substantially higher than present unemployment benefits.

Those receiving the Basic Income Guarantee would have to declare any other income they receive to the Australian Taxation Office. They would not have to look for work or be subject to other activity requirements.



# SPECIFIC WORKFORCE SECTORS

We propose three main employment sectors in the Job Guarantee program:

- 1. Environmental restoration and repair**
- 2. Community building**
- 3. Caring for people**

Some important individual areas described in more detail below.

## YOUNG PEOPLE

Our consultation workshops affirm that the minimum age to take up a Job Guarantee position should be 18, as less than this could be an incentive to leave school early. Once the person is 18, they become eligible for a full time or part time position. A variation of this could tie eligibility to the end of the school year following the person's 18th birthday, in order to prevent disruption to class sizes in the final year of high school.

Benefits to young people of a Job Guarantee:

- Provides genuine entry-level work that does not require prior qualifications or experience.
- Increases skills and social networks at the important school to work transition period. Because it is easy to combine or move between work and education, this opens doors and closes none.
- Allows responsible exploration of new employment options
- Many young people are very concerned about climate change and working in environmental programs would offer a purposeful way of contributing to future sustainability
- Greatly reduces the exploitation of young people through unpaid internships
- Helps young people to become independent. This is especially important for young people who are trying to leave family violence or situations involving coercive control.

## FIRST NATIONS PEOPLES

Successful First Nations employment programs in the past have had strikingly similar aspects to a Job Guarantee, but almost always, funding has been discontinued or cut until they are no longer functional. What is needed for this area is strong ongoing consultation with local First Nations people and organisations regarding needs assessment. There is no shortage of valuable projects (see example in Practical Examples of how the Job Guarantee could work, above).

Cultural programs and care for country would likely form a large part of the work. Flexibility with hours is important, and continuity is very important. First Nations peoples have been continually betrayed as effective and useful programs have been implemented and then repeatedly abolished.

## ARTS AND CULTURE

The contributions of the Arts and Culture sector in Australia - to the economy and in other areas - are far more diverse and substantive than is commonly appreciated. Arts and Culture encourage us to value diversity, understand our identity, and work out who we want to become. Arts workers have had a very tough time through pandemic shut-downs and ideological culture wars. The National Job Guarantee would help a broad sector of the arts and culture community, rather than only picking a few winners for scarce funding. We make these recommendations for implementation:

The scope of the Job Guarantee in the arts should be broad rather than narrow, covering visual arts, musicians, composers, creative writing, comedy, dance, the digital arts, theatre and film, including lighting, camera work, costume, stage design, stage hands etc.).



The potential impacts of a Job Guarantee in the arts and culture sector would include:

- Eliminating most unfunded internships, which are far too common and also inequitable, because it is hard for those with no income or family support to take these up.
- Providing a source of income and hence stability for arts centres and collectives

Questions for further consultation with the sector includes specific issues such as who receives the proceeds from the work, who owns the copyright, and how materials are funded.

### **Several streams of employment should be available:**

- The same process used for general Job Guarantee positions: i.e. local needs are identified and local employers offer positions for community benefit. Examples could include mural painting, art classes, creating a sculpture trail, community theatre, and oral history.
- After completing an accredited arts course, a time limited entitlement to a Job Guarantee position would help recent graduates to establish themselves in creative work, for example one to two years after a bachelor level course, or a longer period for graduates of postgraduate degrees.
- Artists who do not have formal qualifications could apply for a Job Guarantee position if they meet a pre-determined standard. This would be useful for Indigenous artists, or recent arrivals to Australia.
- Longer term Job Guarantee positions, subject to an application process.
- Some positions could be created for documenting the Job Guarantee itself, including for writers and documentary film-makers.

## PEOPLE WITH A DISABILITY

People with a disability should have access to work through the Job Guarantee program. In Australia, only about half the total number of people with a disability have employment, so there is a great deal of untapped potential. Many people who are not presently counted in the unemployment statistics may come forward if work is available.

### **The Job Bank should provide:**

- Matching of workers with available positions
- Liaising with employers to create new positions that are a good fit for people with disabilities
- Information about existing resources such as the Employment Assistance Fund which helps cover costs of workforce modifications.

The Job Guarantee program should not be duplicating existing disability support services, which are (or should be) in a position to supply specialist expertise such as occupational therapy and psychology.

### **These roles are particularly important for:**

- Assisting applicants to focus on their work goals, encouraging applications to the Job Bank, and helping with the application process. This can make a major difference as to whether or not a position is actually taken up.
- Co-designing new Job Guarantee positions with potential employers.
- Providing mentoring to the worker, plus case management if needed.
- Helping to resolve issues if there is not a good fit between the worker and the employer. For example, looking for other options within the employing organisation, or for a Job Guarantee position with another employer. If nothing suitable is available, Job Guarantee employers should not be forced to provide employment; in such situations disability support services will then have the responsibility of seeking alternatives.

## OLDER WORKERS

Unemployment is a particular problem among older people, who face ageist discrimination in hiring and often have to undertake “voluntary” work in order to receive welfare payments. This is yet another waste of skills and experience in the Australian workforce.

We recommend that Job Guarantee positions be available to individuals until they have reached the age at which they can access the Aged Pension. The person’s health status and physical capability need to be matched to the work available, as some individuals may not be able to undertake physically demanding work. Nonetheless, many positions in community care, land care, citizen science, education and coordination are suitable for people with a wide range of capabilities.

## THE ENVIRONMENT

Mitigating and then reversing the effects of global warming and biodiversity loss requires a major effort from all levels of government and society, equivalent to a war or other long-term, large-scale emergency. The Job Guarantee Program would be a major contributor to this work, particularly in areas that need many people on the ground, such as landcare and repair. It was strongly recommended that environmental Job Guarantee work should be separate from Carbon Offset Programs, which should be wholly paid for by the organisations and individuals buying the offsets. Consultation indicates these areas as priorities for the Job Guarantee:

### Bushcare

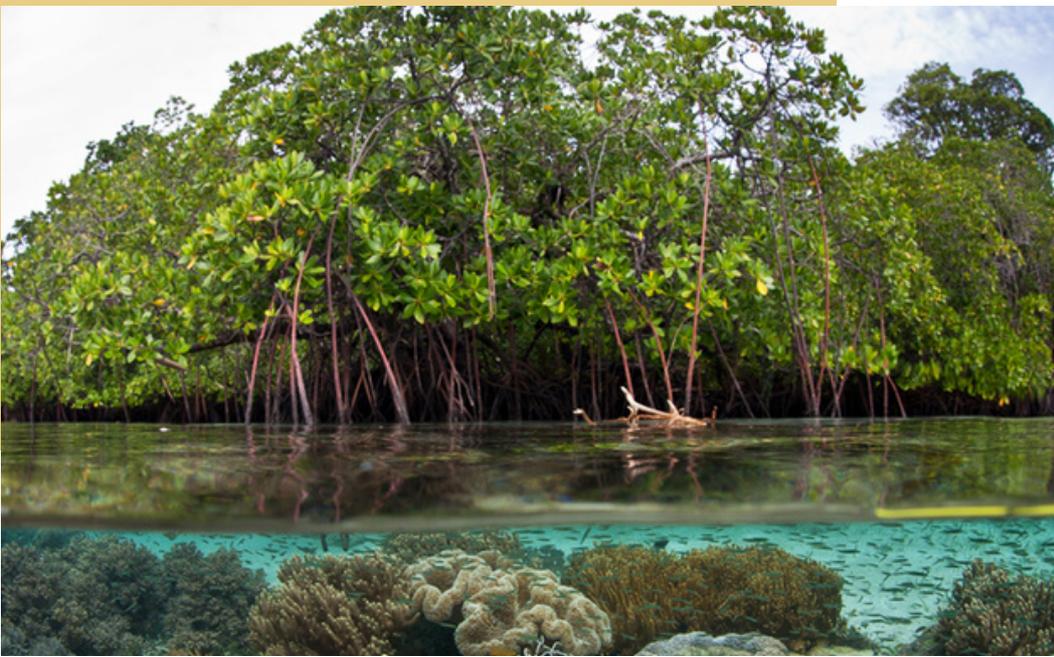
- Removing weeds and invasive plants, thereby fostering biodiversity
- Planting degraded land to increase soil health and carbon draw-down
- Protecting endangered species
- Coastal revegetation to mitigate the effects of sea level rise and storm surges

### Greening communities

- Urban tree planting to clean the air and cool temperatures
- Replacing heat sinks such as verges, traffic islands and artificial turf with low-water gardens
- Replacing concrete channels and drains with wetlands and swales (rain gardens) for better flood control and biodiversity
- Establishing community and school gardens

### Other recommended areas

- Citizen science for better ecological understanding and planning, such as bird counts and tree monitoring
- Park maintenance and renewal
- Food banks and community kitchens to reduce food waste
- Bushfire and flood recovery



# INTERACTION WITH OTHER SECTORS

## THE OVERALL AUSTRALIAN LABOUR MARKET

When the Australian economy is in a downturn, such as during the COVID pandemic, or the Global Financial Crisis, a Job Guarantee ensures that people are not out of work, and prevents a spiral into a major economic depression.

When the economy picks up, more opportunities will be available to enable Job Guarantee workers to move to higher-paying jobs in the private sector or the public service. Whilst in the program, they will have maintained or improved their existing skills and work readiness. For example, Australia is currently coming out of the COVID pandemic. More severe skill shortages have emerged in some sectors due to a long closure of international borders, which has resulted in growing upwards pressure on wages for these areas of skill shortage. Having as many people as possible in Job Guarantee work during the down time boosts the recovery.

A Job Guarantee would also help fix problems in the Australian labour market, such as declining real wages, increasing casualisation and job insecurity, wage theft and a weakened enterprise bargaining system. Workers at risk of or experiencing exploitation would always have an alternative (Job Guarantee) position to take up, which would place pressure on unscrupulous employers to change their practices.

## CARE WORK

**Formal Care Work:** paid care work, such as childcare, elder care and community care is skilled work however it is often insecure, poorly paid and sometimes badly supervised. In theory the hourly rate of paid carers is a little above the minimum wage, but in practice when hours are irregular and travel is not compensated, these workers' jobs are precarious. What could happen is that many people in the caring sector might prefer a regular and secure Job Guarantee position, prompting a temporary workforce crisis. The best outcome from this would be improvements in conditions for paid care work.

**Informal Care Work:** informal caring by family members and friends, such as looking after children, elderly parents, or people with a disability, is widespread. It saves a huge amount of money in the Australian economy, and is very poorly compensated by the welfare system. We are not proposing that this work be brought into the paid employment system; this would be a major reform and the subject of separate discussion. The Job Guarantee program could supplement informal carers by providing part time positions. For those who cannot or do not want to work the proposed Basic Income should be higher than present welfare benefits and free from punitive oversight.

## LABOUR UNIONS

Unions expressed concerns that the Job Guarantee might create a pool of cheap labour which could undercut existing employees. Safeguards need to be set up to prevent this. For example, although all Job Guarantee positions should be entry level, there is the potential that over time some roles develop that require higher-level skills. These positions should then be transferred from the Job Guarantee program to regular public sector employment or established positions within other employing organisations, with appropriately higher wages.

Job Guarantee workers should be encouraged to join the Union covering their work sector, who could then represent these and other issues to both their employers and, for broad-based issues, to the Job Guarantee program itself. See also the section on Working Conditions

## VOLUNTEERING

Volunteering is widespread in Australia; about 6 million people formally volunteer through an organisation each year and many more volunteer informally. We conducted a separate deliberative forum on the relationship between volunteering and a Job Guarantee.



### **Our consultation noted that there are different types of volunteers:**

- People who want a job. They are volunteering either because they are required to do so in order to receive unemployment benefits, or to improve their skills, build networks, or simply have something to do until they can get a job. These people would be better served by having access to a Job Guarantee position.
- People who are highly motivated to volunteer for particular activities and would likely continue to do so regardless of their employment status.

Some organisations could have both Job Guarantee workers and volunteers in similar roles (for example taking part in bushland monitoring or planting native species), however the relationship between the two types of workers should be clear. Volunteers are generally more flexible, may work fewer and more irregular hours, and many bring high levels of expertise and experience. Volunteers who are very motivated by their work or the cause they are supporting, and who find their workplace respectful and positive, may choose to continue on as a volunteer even though in fairness they could access a Job Guarantee position if they chose to.

## JUST TRANSITION PROGRAMS

Major restructuring and disruptions to industry have been a regular feature throughout Australia's industrial history. They have had far-reaching impacts on the labour force, including lower wages, casualised work, and unemployment. Past disruptions include reduced manufacturing such as automotive, steelworks, textiles, clothing and footwear.

Present disruptions include banking, retail, IT, and call centre services moving to online and/or offshore models. Upcoming disruptions include phasing out fossil fuel mining and extraction, and farming transitions in areas such as irrigation cropping, carbon farming and regenerative agriculture.

Some industries receive government support, but most do not. Additionally, when a large industry leaves a town or region, many people working in service and support businesses are also adversely affected. This can create a downward spiral of reduced population, leading to reduced services, business and employment opportunities. In this situation, the Job Guarantee can help entire towns and communities to remain viable.

### **The Role of the Job Guarantee program:**

- The Job Guarantee should be an early part of transition planning. The whole community, including local government and community groups could recommend valuable local projects and programs, so that Job Guarantee positions become available as the transition begins.
- The Job Guarantee positions should not replace government or industry support for a just transition, such as assistance for laid-off workers to retrain or relocate. Rather, the Job Guarantee program will be the employer of last resort in the whole community, including for those who are not eligible for specific transition programs.
- The Job Guarantee should not be used as a subsidy to prop up failing industries; rather, positions should be allocated to meet community needs.

## EDUCATION AND TRAINING

It is very important that the Job Guarantee Program works closely with the education and training sector. Presently, when unemployment is high this leads to skill loss and when the economy improves there are skill and labour shortages, with a subsequent reduction in economic recovery. A Job Guarantee program would help ensure that experienced and willing people are available to move into positions when needed.

A Job Guarantee would also protect people from "scam training" which does not enhance a job-seeker's prospects. Rather, such schemes benefit unscrupulous operators, who would be driven out of business once the Job Guarantee program is established.

## The Role of Job Guarantee Employers

Employers will be required to provide induction and on-the-job training for Job Guarantee employees to ensure they have the necessary skills to do their work safely and effectively. This condition should match or exceed what is offered in the public or private sector. Employers would not be asked to sponsor Job Guarantee employees to undertake external education. Although the Job Guarantee positions are permanent, relatively high turnover is expected due to people leaving for higher paid work elsewhere. As well as promoting employee training, employers must meet all occupational health and safety regulations, plus provide competent supervision and support using sound human resource principles that foster the welfare of employees and the relevant work outcomes.

## The Role of the Job Guarantee Program

The Job Bank plus central policy, implementation and oversight arms of the Job Guarantee program would each contribute to the training and development of employees, for example:

- Dissemination of in-service training materials in areas that are common to many organisations, so each organisation does not have to develop these from scratch. These materials could then be adapted to suit specific needs.
- Liaising with the education and training sector to set up pathways to apprenticeships, traineeships and further education.
- Encouraging Job Guarantee workers to enrol in existing courses, including undergraduate and postgraduate programs.
- Commissioning new courses in areas where large numbers of people will be, or are already working

*[Professor William] Mitchell's point is that whether or not unemployment or employment is used as a buffer stock against inflation is a public policy choice. It is a political choice. And the choice that has been made in Australia, as it was around the world since unemployment ceased being frictional and became prevalent and entrenched – was to use unemployment as a buffer against inflation.*



*My people, consigned to welfare and structural exclusion from the real economy in the post-1960s era of growing unemployment, have been victims of a public policy choice for which there existed a better and more humane alternative.*

This report has shown how much a National Job Guarantee is needed in Australia, not only for unemployed people, but also for business, the environment, and to stabilise the whole economy. A Job Guarantee is a fast and effective way of producing a more equal, fair, prosperous, and stable society. Instead of expending so much time and effort to make the lives of those who are unemployed miserable and insecure, we have shown that it is far better to create real jobs to do work that is genuinely needed.

As the Job Guarantee is a large scale and long term program, it would have to be introduced in stages. We therefore need an implementation plan that offers the fastest and easiest path to success. We have a short list of recommendations:

**1. We recommend that the program start as it means to continue - as an ongoing program, not as a “pilot”, and that the lessons from initial implementation be used to improve the program, rather than become excuses to shut it down. Evaluation should include environmental, social, economic, and well-being outcomes.**

2. The partnering organisations would be chosen by the Job Guarantee Program, however we recommend these types of organisations be approached initially:

**Local Government**, as it covers the whole of Australia. They are organisations with long term stability, in touch with local needs, and have the management systems to take on extra workers immediately.

**First Nations community-based organisations** have operated programs similar to a Job Guarantee that have been effective in the past, so they have the history and the ability to re-start programs in urban, regional and remote areas. Later, a broader range of organisations in the Not-For-Profit sector could be either directly engaged or invited to apply for programs with Job Guarantee workers.

**3. Geographic location: it may be more practical to start with one state or region, so we recommend this should be an area where the need is greater, due to higher rates of unemployment or social disadvantage.**

There is a great deal of work to be done to put in place such a comprehensive and life-changing program across all of Australia, but also a great deal to be gained.

**We offer this report to show how this can be achieved.**

**BOOKS, ARTICLES AND ORGANISATIONS SUPPORTING A JOB GUARANTEE**

Pavlina R Tcherneva, **The Case for a Job Guarantee** (Polity, 2020)

Steven Hail, **The Return of Full Employment** (2021) Australian Fabians Review

<[https://www.fabians.org.au/afr2\\_steven\\_hail](https://www.fabians.org.au/afr2_steven_hail)>

Steven Hail, **Explainer: what is Modern Monetary Theory?** (2017) The Conversation

<<https://theconversation.com/explainer-what-is-modern-monetary-theory-72095>>

Stephanie Kelton, **The Deficit Myth: Modern Monetary Theory and How to Build a Better Economy** (John Murray, 2021)

<<https://stephaniekelton.com/book/>>

Anglicare Australia, **Five Ideas Australia Needs Now** (2022)

<<https://www.anglicare.asn.au/wp-content/uploads/2022/02/Five-Ideas-Australia-Needs-Now.pdf>>

Young Labor for Full Employment, **A Job Guarantee for All**

<<https://www.facebook.com/YLforfullemployment>>

Australian Greens, **Next Gen Guarantee**

<<https://greens.org.au/campaigns/nextgen/>>

Tomorrow Movement, **Climate Jobs Guarantee**

<<https://tomorrowmovement.com/climate-jobs-guarantee/>>

Cape York Partnership **The Case for a Government Jobs Guarantee**

<<https://capeyorkpartnership.org.au/the-case-for-a-government-jobs-guarantee/>>

**The Centre of Full Employment and Equity** (CofFEE)

<<http://www.fullemployment.net/>>

**Sustainable Prosperity Action Group**

<<https://sustainable-prosperity.net.au/job-guarantee/>>

**ADDITIONAL RESOURCES**

Per Capita, **Redesigning Employment Services after COVID-19** Discussion Paper, 2020

<[https://percapita.org.au/our\\_work/redesigning-employment-services-after-covid-19/](https://percapita.org.au/our_work/redesigning-employment-services-after-covid-19/)>

Anglicare Australia, **Jobs Availability Snapshot**, 2021

<<https://www.anglicare.asn.au/wp-content/uploads/2021/10/Jobs-Availability-Snapshot-Report.pdf>>

Centre for Future Work, **Four Views on Basic Income, Job Guarantees, and the Future of Work**, 2018

<[https://www.futurework.org.au/four\\_views\\_on\\_basic\\_income\\_job\\_guarantees\\_and\\_the\\_future\\_of\\_work](https://www.futurework.org.au/four_views_on_basic_income_job_guarantees_and_the_future_of_work)>

ACT Government, **Jobs for Canberrans** initiative, 2021

<<https://www.act.gov.au/our-canberra/latest-news/2021/march/jobs-for-canberrans-turns-passions-into-professions>>

Department of Treasury and Finance Victoria, **The Jobs Plan**, (2020-2021)

<<https://www.dtf.vic.gov.au/2020-21-state-budget/2020-21-jobs-plan>>

# FREQUENTLY ASKED QUESTIONS

## CAN WE AFFORD IT?

Yes. The budgetary impact of a job guarantee would differ over time, depending on the state of the economy, but the net cost would normally lie between 1% and 4% of GDP. **The appropriate level of the fiscal deficit to bring about non-inflationary full employment is determined by the number of people who walk into a Job Guarantee office and take up a place in the program.**

Despite what politicians say, the federal debt is not a burden on future generations. In fact, the federal government's deficit is the same as the net money supply, in other words the federal deficit is everybody else's surplus.

## THERE ARE THOUSANDS OF JOBS OUT IN THE COUNTRY, SO WHY WON'T AUSTRALIANS JUST DO THEM?

There are many barriers to people taking up jobs in rural areas, including:

- A lack of affordable housing, both to rent and buy, plus relocation costs.
- Unwillingness to leave family and social networks both because of caring responsibilities or receiving support.
- Physically demanding outside jobs would be impossible for some to manage, due to age, previous injury, or disability. These individuals should not be prevented from having meaningful work.
- Seasonal work requires frequent relocation which is hard to sustain in the longer term.

## WOULDN'T A JOB GUARANTEE JUST BE A COSTLY ADMINISTRATIVE NIGHTMARE?

Administration costs would be minimised by using existing infrastructure; this is why we recommend early involvement of Local Government and existing community organisations. Many have extensive volunteer programs, plus all that is needed for supervision, human resources management, and in-service training. Currently, Centrelink compliance workers and JobActive staff have to spend much of their time applying an undue level of scrutiny and supervision to unemployed people. It would be far better to instead match unemployed people to suitable Job Guarantee positions and support them to thrive.

**Australia still has a high quality public health system and a high quality public education system. There is no reason why we could not manage a high quality nationwide Job Guarantee program.**

## NOW THE ECONOMY IS RECOVERING AND WE HAVE LABOUR SHORTAGES, WHY DO WE NEED A JOB GUARANTEE?

In June 2022, approximately 494,000 people were unemployed, and about 846,000 were underemployed. There were about 480,000 listed job vacancies, with labour shortages being most acute for skilled workers. After a high level of unemployment during the pandemic, we are presently in a part of the economic cycle where employment is increasing. However, here are the reasons why we still need a Job Guarantee and why now is a good time to introduce one.

- A Job Guarantee is a stabilising force through both economic upturns and downturns. When the economy improves, a Job Guarantee ensures many more people are available to take up positions and relieve labour shortages.
- A Job Guarantee continues to be needed to minimise unfair work practices in the private sector, alleviate poverty, and provide resources to enable the undertaking of much-needed human services and environmental work.
- Many people are still not entering the workforce. The participation rate remains at about  $\frac{2}{3}$  of people of working age, with ongoing barriers inhibiting improvement. Social barriers include ageism and discrimination against people with a disability, as well as the difficulty of overcoming long-term unemployment. Structural barriers include a shortage of affordable housing and rental accommodation, loss of family and social networks, lack of transport, the cost of relocating, seasonal work, and inability to undertake physically demanding work. A Job Guarantee would help to overcome these barriers and improve participation.

## WOULD A JOB GUARANTEE CREATE INFLATION?

Inflation is increasing today but this is predominantly due to rising oil prices, price gouging by companies with excessive market power, supply issues arising from the pandemic and Ukraine war, an overheated housing market, and produce shortages due to droughts and floods.

Job Guarantee positions would not cause inflation because they are paid at the minimum wage. **Having a pool of unemployed people is not necessary to avoid rising wages. Hundreds of thousands of people struggle to escape unemployment and poverty because of this cruel policy.**

It is better to have a pool of people in Job Guarantee positions, where they are able to continue working and foster their skills until they choose to take up better paid opportunities in the public or private sectors. There would be a small increase in spending as people move out of extreme poverty into living on the minimum wage; this is enough to be good for small businesses, but not enough to have a significant ongoing effect on inflation.

# FEEDBACK AND CONTACT

We welcome feedback and further ideas so please get in touch with us via our website [www.sustainable-prosperity.net.au](http://www.sustainable-prosperity.net.au) or email [info@sustainable-prosperity.net.au](mailto:info@sustainable-prosperity.net.au)



## THANK YOU

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