

Submission to the  
**Senate Select Committee on Job Security**

10 June 2021

The Western Australian Council of Social Service Inc. (WACOSS) welcomes the opportunity to contribute a submission to the *Senate Select Committee on Job Security*.

WACOSS is the peak body of community service organisations and the individuals they serve in Western Australia, advocating for social and economic change to improve the wellbeing of Western Australians and to strengthen the community services sector that supports them. WACOSS is part of a national network consisting of ACOSS and the State and Territory Councils of Social Service, who assist people on low incomes and experiencing disadvantage Australia wide.

WACOSS has a specific interest in the nature and effects of insecure employment in the community services sector as well as the broader Western Australian community. We as a sector know that insecure and exploitative working conditions compound the vulnerability of those already struggling in our communities, as well as tipping others into vulnerability and disadvantage.

The nature of funding for the community service sector makes it a unique example of a workforce with a very high degree of precarity. WACOSS is therefore well-positioned to speak to the terms of reference of this inquiry<sup>1</sup> and provides particular reference to:

- *the extent and nature of insecure or precarious employment in Australia;*
- *the risks of insecure or precarious work exposed or exacerbated by the COVID-19 crisis;*
- *the aspirations of Australians including income and housing security, and dignity in retirement; and*
- *the interaction of government agencies and procurement policies with insecure work and the on-demand economy.*

Other issues raised in our submission include job insecurity as a determinant of health and wellbeing; and how the interplay between job insecurity and cost of living in regional areas results in real challenges in delivering services to people who need them the most. As part of our consultation process in preparation of this submission, WACOSS sought testimonies of the impacts of job insecurity from people throughout our networks. Their anonymous yet personalised accounts are presented throughout this submission.

### **1. The extent and nature of insecure or precarious employment in Australia**

The Australian economy is rapidly evolving and transforming as a result of structural changes in labour markets due to deregulation, globalisation, the introduction and dissemination of new

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<sup>1</sup> [https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Job\\_Security/JobSecurity/Terms\\_of\\_Reference](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Job_Security/JobSecurity/Terms_of_Reference)

technologies, shifting governmental policies regarding work and labour relations and increasing disruptions by large-scale economic crises. Over the past three decades, precarious employment has grown more rapidly than overall employment in most OECD countries, with this trend expected to continue.<sup>2</sup> A growing and majority share of jobs in Australia's economy fall outside the once standard norm of permanent full-time employment and are constituted instead by part-time work, temporary and casual jobs, independent contractors, and more recently, "gig" or "on demand" jobs. Another type of precarious work, though generally not identified as such, is the unpaid internship or work experience. Young people often undertake some form of unpaid work experience in order to gain industry or 'real world' experience to improve their chances of finding a paid job. A 2013 research report commissioned by the Fair Work Ombudsman found that a growing number of Australian businesses are using unpaid interns to do work other employees are paid to do.<sup>3</sup>

Since the global financial crisis, levels of precarious employment within the Australian workforce have increased, offering workers low or illegal pay rates, little certainty over working hours, limited or no entitlement to paid leave and other benefits, lack of control over working conditions and lack of protection in employment. Taken together, the changes in the structure and stability of jobs, the nature and hours of work performed, and the deteriorating nature of bargaining, pay and conditions are impairing the ability of working people in Australia to reliably support themselves and their families.<sup>4</sup>

There is a lack of comprehensive and accurate data that captures all of the dimensions of precarious work, such as irregular hours, multiple job holding, labour hire, gig work, and more, but it is estimated that less than half of employed Australians hold a permanent full-time paid job with leave entitlements.<sup>5</sup> Insights into casual employment by the Australian Bureau of Statistics (ABS) reveal that prior to the COVID-19 period, casuals accounted for 20 per cent of employed people in Australia and around 25 per cent of employees, representing 2.6 million Australian workers.<sup>6</sup> The most recent ABS data collected on casual employment rates in Western Australia (August 2020), indicates that 277,400 people or 24 per cent of employees were casual workers.<sup>7</sup> Casual workers accounted for approximately *two-thirds* of people who lost a job early in the COVID-19 period, with the average weekly hours worked by casual employees falling a considerable 27.7 per cent between February and May, 2020. This compares to a decrease in working hours of 6.1 per cent for non-casual employees over the same time period.

The changing nature of work in the twenty-first century presents a fundamental threat to the twentieth century systems that currently govern industrial relations, occupational health and safety,

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<sup>2</sup> Lewchuk, W. and Laflèche, M. (2017). Precarious employment: what it means for workers and their families. In R. Burke and K. Page (Eds.), *Research Handbook on Work and Well-Being*. Edward Elgar

<sup>3</sup> Stewart, A. & Owens, R. (2013). "Experience or Exploitation? The Nature, Prevalence and Regulation of Unpaid Work Experience, Internships and Trial Periods in Australia." Report for the Fair Work Ombudsman. The University of Adelaide.

<sup>4</sup> Carney, T., Stanford, J. (2018) "The Dimensions of Insecure Work: A Factbook", Centre for Future Work, The Australia Institute.

<sup>5</sup> Ibid.

<sup>6</sup> Australian Bureau of Statistics (2020). [Insights into casual employment, occupation and industry](#)

<sup>7</sup> Australian Bureau of Statistics (2021) [Characteristics of Employment, Australia](#)

retirement and social support in old age, and social services and support for those unable to work or secure and maintain sufficient work. We need to tackle the growth in inequality that threatens the nexus between productivity and wage growth and the wider health of our economy, and to devise a system of social security more appropriate and responsive to the needs of workers moving in and out of employment and struggling with insecure and unpredictable hours and incomes. The pandemic has shown that radical changes can be made to our social security system, and that they can be made quickly. It is clear that we need a more robust and fair employment conditions system that will be able to respond to changes in the nature of work and to guarantee the health of our economy and community into the future.

**Recommendation: Improve national labour market data surveys to better capture and measure insecure and non-standard employment beyond casual employment.**

### 1.1 The impact of job insecurity on the workforce

The growth in insecure work has wide-reaching impacts on productivity, workplace culture and quality of life that are likely to have a deleterious impact on the resilience of the Australian workforce and global competitiveness of the Australian economy in the longer term. Empirical studies show the perception of job insecurity to be a work stressor, with negative consequences for a variety of indicators of health and wellbeing, like work engagement, burnout, mental well-being, and a multiplicity of somatic variables ranging from receptiveness for colds and flu to non-fatal heart attacks.<sup>8</sup> An overview of the available literature provides a long list of the negative mental well-being and physical health outcomes of job insecurity, both on a general level, such as anxiety, depression, and heart disease, and a work-related level, such as reduced job satisfaction, absenteeism and poor interpersonal relationships at work.<sup>9</sup>

Beyond health-related impacts, the social impact of precarious employment extends beyond the individual to the quality of family and home life, and this is replicated across a number of international studies. Canadian studies demonstrate a link between job insecurity and delayed household formation, delays in starting a family and social isolation.<sup>10</sup> Scandinavian studies show that job insecurity is associated with increased work-family conflict.<sup>11</sup> Research from the United States has shown how employment insecurity is leading to household breakdowns and has created major barriers to success for children living in households where employment is insecure.<sup>12</sup> Analysis

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<sup>8</sup> De Witte, H., Pienaar, J. and De Cuyper, N. (2016) "Review of 30 Years of Longitudinal Studies on the Association Between Job Insecurity and Health and Well-Being: Is There Causal Evidence?" *Australian psychologist* 51(1): 18–31.

<sup>9</sup> De Witte, H., Vander Elst, T. and De Cuyper, N. (2015) "Job Insecurity, Health and Well-Being" in Vuori J., Blonk R., and Price, R.H. (eds) *Sustainable Working Lives*. Dordrecht: Springer Netherlands. 109–128.

<sup>10</sup> Lewchuk, W. and Lafèche, M. (2017) "Precarious work: what it means for workers and their families" in Burke, R.J. and Page, K.M. (eds) *Research Handbook on Work and Well-Being*. Northampton, MA: Edward Elgar Pub.

<sup>11</sup> Richter, A., Naswall, K., & Sverke, M. (2010). Job insecurity and its relation to work-family conflict: Mediation with a longitudinal data set. *Economic and Industrial Democracy*, 31(2), 265–280.

<sup>12</sup> Putnam, R. (2015), *Our Kids: The American Dream in Crisis*, New York: Simon and Schuster.

of the available evidence demonstrates a negative relationship between parental job insecurity and children's well-being, motivation, and school performance.<sup>13</sup>

While the growth in precarious employment clearly delivers some short-term benefits to employers in terms of increased flexibility and responsiveness, the impacts of insecurity on workplace culture, productivity and loyalty are likely to have more serious longer-term impacts. This is particularly of concern for the service economy, where staff morale directly impacts on customer engagement and service quality, and in industries where organisations rely on workers assessing risks and making judgements to uphold the longer-term interests of the business or institution.

Given the growing extent and pervasive nature of job insecurity and subsequent adverse outcomes for employees and their families, policymakers, employers and community service organisations need to turn their attention quickly and effectively to these issues to provide more secure working conditions and improve occupational health outcomes.

## **1.2 Nature of precarious employment in the community sector**

Community services related industry sectors and occupations form one part of the overall *Health Care and Social Assistance* industry, which is the largest employing industry in Australia. In 2020 there were approximately 1.7 million people employed in this industry, which is projected to increase to more than 1.9 million by 2024.<sup>14</sup> Health care and social assistance is already the largest employing industry in Western Australia and is projected to grow faster than any other area of the economy over the next five years.<sup>15</sup>

In considering the profile of the Western Australian community service workforce, it is characterised by:

- High levels of casual and part-time work;
- Short-term contracts with uncertainty of renewal;
- A high staff turnover and burnout rate;
- Award-dependent, low incomes that are typically lower than other occupations with similar skills sets;
- A highly feminised workforce; and
- Almost entirely dependent upon State and Federal government funding or philanthropic grants for their income

Fluctuating government funding, greater demand for services, and an increasingly competitive tendering environment are putting increasing financial pressure on the not-for-profit community services sector, which in turn impacts employment opportunities and retention of staff. Unlike other areas of public service delivery such as education and health, that are founded on policies of universal entitlement and population or demand-based funding, social services continue to rely on

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<sup>13</sup> Mauno, S., Cheng T., and Lim, V. (2017) "The Far-Reaching Consequences of Job Insecurity: A Review on Family-Related Outcomes", *Marriage & Family Review*, 53(8): 717-743 DOI: 10.1080/01494929.2017.1283382

<sup>14</sup> Australian Industry and Skills Committee (2020) [National Industry Insights: Community Services](#)

<sup>15</sup> State Training Board (2019) Social Assistance and Allied Health Workforce Strategy

ad hoc program-based funding models that seldom keep pace with community need or the true cost of service delivery.

Community service organisations are currently operating in contexts of converging crises and constraints. An extraordinary run of events, including the catastrophic Black Summer bushfires, the coronavirus pandemic, and the more recent Wooroloo bushfire and Cyclone Seroja in Western Australia, have resulted in a rapid influx of new groups requiring support, and increased need among existing clients and communities. Many Western Australians are experiencing financial vulnerability, hardship and bill stress for the first time as the cost of living continues to increase while government coronavirus support measures have ceased. This is reflected in the increasing demand for services and areas of concern across the State, including housing, homelessness, food relief, financial counselling, mental health, child protection and family and domestic violence. The Financial Counselling Network, for example, runs the Hardship Utility Grant Scheme (HUGS) Service Centre and Emergency Relief and Food Access Service (ERFAS) and has reported month-on-month increases for both services since November 2020. In May 2021, the HUGS Service Centre handled over 1940 calls from customers, retailers, and advocates and received 815 applications, an increase of 122% from the previous month. The ERFAS service saw an increase of 21% from the previous month assisting 889 clients and providing them with 1,229 emergency relief pathways worth \$60,303.<sup>16</sup>

The additional complexity of need in the community in response to these disasters catalysed increased government spending to support the community services sector, but this funding is soon set to expire, impacting community sector workers, their clients and communities. Some COVID emergency funding was made available by the WA Government, for example, to address the increase in COVID-related financial hardship amongst the community. This funding allowed a high number of new financial counsellors to enter the sector (approximately 25 FTE financial counsellors across the State), with significant resources being invested in training these new financial counsellors while they simultaneously completed studies to attain their financial counselling Diploma. The current COVID funding for financial counselling, however, is due to expire from December this year, potentially leading to the loss of financial counselling services at a time when demand for these services is expected to escalate.

Prior to COVID-19, it was already predicted that the demand for health and social services will *triple* by 2030. Growth areas include aged care and disability services, mental health and wellbeing, early childhood education and care. New and intensified needs are arising from COVID crisis, relating to job and income loss, mental health, housing and family and domestic violence.<sup>17</sup> Despite this, there is currently no workforce development strategy to ensure the community services sector has the capable and caring skilled workforce our community will need, now and into the future.<sup>18</sup> Developing and sustaining a skilled community services workforce to meet projected need is becoming an increasing challenge, given the existing gap in skills and workforce capability across a

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<sup>16</sup> Financial Counselling Network (2021) [HUGS Service Centre \(HSC\)](#)

<sup>17</sup> Cortis, N & Blaxland, M (2020): Australia's community sector and COVID-19: Supporting communities through the crisis. Sydney: ACOSS

<sup>18</sup> State Training Board (2017) *State Training Plan 2017–2020*, [http://www.stb.wa.gov.au/sites/default/files/STB\\_STP\\_2017\\_2020.pdf](http://www.stb.wa.gov.au/sites/default/files/STB_STP_2017_2020.pdf)

number of service areas and a tightening funding environment. Safe, effective, connected, person-centred community services require a skilled, competent and proactive workforce with appropriate qualifications and experience to deliver high-quality services; these jobs cannot be automated. Secure, well-paid community services jobs growth requires significant government investment to attract workers through improved wages, education, training, qualifications and career pathways. Without such investment, the community service sector will experience significant impacts on their capacity to service the increasing complexity of need spreading throughout our communities.

It is crucial that jobs in this sector are secure, quality jobs. Not only for the wellbeing of the workers themselves, but also for the people that they support. The care workforce is predominantly female (71 per cent of full-time workers)<sup>19</sup> and continues to be low-paid and undervalued—despite the efforts of sector advocates, peak bodies and unions to secure better pay through the industrial relations system.

**Recommendation: Develop and implement a workforce development strategy for the community services sector aimed at attracting and retaining appropriately qualified individuals with the skills and abilities to meet current and future needs through quality service provision.**

## 1.2 Geographic inequality

### *Community Service workforce*

Regional Australians and those working in the regions experience significantly higher levels of insecurity and inequality when compared to people living in metropolitan areas. Already in many regional communities, community services cannot keep pace with demand, with workforce shortages exacerbated by low-paid, short-term contracts and high cost of living. Attracting and retaining staff is extremely difficult in regional areas as salary packages do not cover housing and rental costs, which are prohibitively high in towns that also service a large number of the fly-in fly-out mining workforce. Medium weekly rent has increased to \$650-\$700 and up to \$1000 or more in some locations; the mining town of Tom Price has advertised a three-bedroom, two-bathroom home for \$2500 per week. With essential services being delivered in regional areas predominantly through short-term contracts (approximately 6-12 months in length) and providing an average salary of \$70,000 per annum for workers, the lack of job security coupled with the high cost of living is not only undesirable for most workers, but financially untenable. Insecure, inappropriate and unaffordable housing in regional areas interacts with insecure and precarious work to create barriers to regional employment that limit regional growth and exacerbate boom and bust cycles in regional towns and centres.

In regional and remote areas of Western Australia, the need for skilled workers and secure jobs is intensified by localised conditions such as higher concentrations of Indigenous populations, ageing populations, distance from health care and other services, and uniquely complex psychological, health and social issues. Attracting and retaining new and skilled staff is hampered by several

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<sup>19</sup> Duncan, A and Cassells, R. (2019) Gender Equity Insights 2019: Breaking through the Glass Ceiling, Bankwest Curtin Economics Centre and the Workplace Gender Equality Agency

structural barriers, including an ability to offer regular contracts, upgrade pay and career opportunities and the aforementioned cost of living pressures.

*Case Study: Yaandina Community Services*

*“We commenced our service with a nine bed Frail aged hostel in 1990 and since 2014 we have operated a very successful 20 bed facility that was one of the first to be successfully accredited under the new Aged Care Standards in August 2019.*

*We received a Federal Government grant and constructed an additional 10 beds which are ready for tenanting however we cannot utilise these facilities because of a lack of workers. We need workers to cover three shifts across a 24-hour period, including nurses, support workers, cleaners and kitchen staff. Housing in our area is highly sort after by many sectors and we cannot compete with the income of government, resources and business sectors, many of which have their own housing solutions for their staff.*

*Many local people work in our home care and disability services as well as our youth, family and alcohol and other drug services. There just are not enough local people seeking shift work in an aged care facility that also has to begin implementing a number of recommendations from the Royal Commission agreed to by government. Although these include positive things like a slight increase in the daily fee we receive, and uncapping of beds, these do not help with employing staff. One of the recommendations is to increase the time spent with each resident which may mean an increased in staffing. Without affordable housing, it is very hard to attract people to town.”*

Policy interventions will be required to not only support high workforce growth in the community service sector in both regional and metropolitan areas, but also to ensure that the sector has the skills, qualities and capabilities to deliver high quality, person-centred services. This will require secure employment with good pay and conditions and rewarding career opportunities with access to training and development.

Organisations will need to be able to attract qualified, skilled staff in the locations where critical service gaps remain entrenched and also in locations where jobs are expanding, which will require careful metropolitan and regional workforce planning. Attention will need to be given to the entire employee lifecycle, with policies directed towards attraction, recruitment and retention, including professional development, career pathways and supporting staff wellbeing.

**Recommendation: Support and develop the regional workforce through innovative attraction and retention strategies that support pathways to education, training and career development backed by longer term contracts.**

*Labour hire and temporary visa workers*

Stories of exploitation from people in regional and rural areas working under labour-hire agencies show that the negative consequences of labour-hire and insecure work are real and disturbingly common in some sectors of the Australian economy such as agriculture. Migrant farmworkers working under labour-hire contractors with 457 temporary work (skilled) visas, for example, are in insecure work that is indirect and exploitative. Growers’ over-reliance on labour-hire contractors has

entrenched casual, insecure employment, even when the work is consistent and predictable. Outsourcing to labour-hire contractors creates distance between food retailers, growers and workers that enables unlawful work practices to develop and persist.<sup>20</sup>

According to the United Workers Union, many migrant farmworkers are paid far less than the legal minimum pay and work conditions in Australia, while being forced to pay for sub-par accommodation and transport provided by employment contractors at exorbitant prices. Many workers suffer repetitive strain and other injuries, due to the excessively fast pace of work, and lack of training and rotation across activities; they are also subject to intimidation, racial discrimination and sexual harassment.<sup>21</sup>

The exploitation of foreign workers in our regions is a widespread and systemic issue, reflecting serious breaches of supplier standards and Australia's major supermarkets' own ethical sourcing policies.<sup>22</sup> A high-profile investigative report found farmers and suppliers who uphold legal labour and pay standards are being dropped by the supermarkets, who are instead granting contracts to cheaper suppliers using grossly exploited labour.<sup>23</sup> The relentless downward pressure that the supermarkets apply on their suppliers to cut costs and incur more of the risks, coupled with the lax auditing regime governing labour-hire contractors, drives farmers and suppliers to resort to cut-price, illegal labour. The poor prevailing wages and conditions that result are an industry problem, and affect all workers, whether citizens, permanent residents or temporary visa holders, driving workers from the industry and preventing others from wanting to enter it.

COVID-19 border restrictions revealed the dangers of the agricultural industry's reliance on unscrupulous labour hire contractors and temporary labour. In order to attract and retain workers in the agricultural industry, the wages, working conditions, job and visa security of horticulture workers must be improved.

**Recommendation: Dedicate resources for oversight and protection of agricultural workers including those on temporary visas, together with effective auditing of labour-hire schemes.**

## **2. Risks of insecure or precarious work exposed or exacerbated by the COVID-19 crisis**

The COVID-19 pandemic has been a crisis like no other, with economic activity shut down for a protracted period and ongoing social distancing measures required to contain the risk of further outbreaks. The pandemic reignited important debates concerning the future and security of work, and the value we place on frontline workers providing essential services. These debates centred on the uncomfortable acknowledgement that some of the lowest-paid and most precarious workers in this country were providing the essential goods and services that our community depended upon to be healthy, safe and functioning during a crisis.

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<sup>20</sup> United Workers Union (2020) [Submission: National Agricultural Workforce Strategy](#).

<sup>21</sup> Ibid.

<sup>22</sup> Woolworths Group (2017) [Woolworths Limited's Ethical Sourcing Policy](#)

<sup>23</sup> Four Corners (2017) [Slaving Away](#). Australian Broadcasting Commission.

The crisis also revealed the inherent public health dangers of casual and precarious working conditions, not only for workers but for the broader population. Widespread underemployment and low pay across sectors have increased the number of Australians who rely on multiple jobs to cover living expenses. Casual workers moving between multiple workplaces dramatically increase the risk of the contagion spreading. Many essential workers are also employed on casual contracts, with no entitlement to sick leave, and thus cannot afford to stay home when they are unwell. Such conditions contributed to the spread of COVID-19 through residential aged care and hotel quarantine. Victorian premier Daniel Andrews labelled insecure work ‘toxic’, and largely responsible for Victoria’s second wave.<sup>24</sup> The Victorian Government has since initiated a Secure Work Pilot Scheme to provide up to five days of sick and carers pay at the national minimum wage for casual or insecure workers in priority industries.<sup>25</sup>

The economic impact from COVID-19 demonstrated that casual and insecure workers are at the front line of retrenchment in an economic downturn, yet crisis response wage subsidy policies excluded the most precariously placed people in Australia’s job market. Despite the pandemic politicising the issue of insecure work, Australian labour laws and current workplace trends are further exacerbating the prevalence of insecure work. We put the effectiveness of our recovery at risk if action isn’t taken to secure better work conditions for those typically marginalised in our economy: women, temporary visa holders, Indigenous workers and young people.

**Recommendation: Develop policy and planning measures to ensure the next crisis response or stimulus package is better targeted to the most-affected industries, regions, groups and skill sets.**

## 2.1 Women

Across every sector, from public health to the economy, social care to public safety, the impacts of COVID-19 have been gendered. While Australia has been quite fortunate and successful in minimizing the spread and impact of COVID-19 compared to other countries, the disproportionate impact on women and other groups facing social inequality remains. More women than men have reported working zero hours, losing their jobs or facing difficulty finding work due to COVID, and a greater increase in their hours of unpaid care work.<sup>26</sup> Women also account for the majority of those working on the frontline in the healthcare sector or high-risk environments such as aged care, not only exposing them to greater health risks but also longer hours and increased responsibilities, despite their low pay.<sup>27</sup> Domestically, women also faced increased exposure to domestic violence during the crisis, with the converging effects of economic and social stress, increased use of drugs and alcohol and social isolation measures restricting movement, amplifying the triggers for domestic abuse.<sup>28</sup>

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<sup>24</sup> Kolovos, B. (2020) [Vic breaks record with 484 new virus cases](#). The Canberra Times

<sup>25</sup> Victorian Government (2021) [Secure Work Pilot Scheme](#)

<sup>26</sup> Workplace Gender Equality Agency. (2020, May 11). *Gendered impact of COVID-19*. <https://www.wgea.gov.au/topics/gendered-impact-of-covid-19>

<sup>27</sup> Matthewson, G., & Kalms, N. (2020). The Essential Gendered Lens. THE SITE MAGAZINE. <https://www.thesitemagazine.com/xyx-lab>

<sup>28</sup> Segrave, M., & Pfitzner, N. (2020). Family violence and temporary visa holders during COVID-19. Monash University. <https://doi.org/10.26180/5f6b1218b1435>

While research remains limited, there is emerging evidence that the pandemic has differentially impacted women by intersecting with other structural drivers of disadvantage and marginalization, including race and ethnicity, socioeconomic status, age, disability, and migration and refugee status, among others.<sup>29</sup> Women that hold temporary visa status have reported multiple pandemic-related impacts, including unemployment and critical income loss, increased rates and severity of domestic violence, housing insecurity, and ineligibility for community services as a result of their migration status.<sup>30</sup> Population survey data shows women are significantly more likely than men to have experienced negative mental health impacts, including severe anxiety and depression, with women that are single parents, women from culturally diverse backgrounds that adhere to an extended family model, or women experiencing homelessness and other forms of social exclusion particularly vulnerable.<sup>31</sup> Although it has been recognized that economic and social pandemic-related impacts are compounded for women facing intersectional disadvantage, there is a lack of data on the experiences of diverse groups such as women with disability, the elderly, and women who identify as LGBTQI+.<sup>32</sup>

Despite the clear gendered impacts of the pandemic, government policies to date categorically disadvantaged women by inadvertently excluding a large number from wage protection mechanisms, and stimulus investments favouring male-dominated industries like manufacturing and construction.<sup>33</sup> Far too many low-paid women in insecure and casualised jobs were locked out of the Australian government's JobKeeper wage subsidy due to its design, which excludes casual employees with less than 12 months' service for their current employer and temporary visa holders. 200,000 Australian women who work in the food services, accommodation, and retail trade sectors alone missed out on the JobKeeper payment, due to its exclusion of casual employees.<sup>34</sup> This figure does not account for the large number of international students or women seeking asylum who are in casual, insecure or exploitative work that also lost jobs and denied income support payments.

The series of knee-jerk policy responses to the threats posed by the COVID crisis to childcare services provide a clear case study of systemic bias disproportionately impacting women in casualised work. They also highlight the problems arising from considering early childhood education and care services only in the context of workforce participation and social security, and not as critical to early childhood development. Early childhood education and care should be a public service with a universal entitlement that is the foundation of our primary education system. We witnessed how

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<sup>29</sup> Ryan, N. E., & El Ayadi, A. M. (2020). A call for a gender-responsive, intersectional approach to address COVID-19. *Global Public Health*, 15(9), 1404–1412. <https://doi.org/10.1080/17441692.2020.1791214>

<sup>30</sup> Segrave & Pfitzner (2020).

<sup>31</sup> Women's Mental Health Alliance. (2020, October). [Policy brief: Impacts of COVID 19 on women's mental health and recommendations for action.](#)

<sup>32</sup> Segrave & Pfitzner (2020)

<sup>33</sup> Dawson, E. (2020, October). The case for a care led recovery. Per Capita. [https://percapita.org.au/wp-content/uploads/2020/10/The-Case-for-a-Care-Led-Recovery\\_FINAL-1.pdf](https://percapita.org.au/wp-content/uploads/2020/10/The-Case-for-a-Care-Led-Recovery_FINAL-1.pdf)

<sup>34</sup> Dwyer. (2020, June 9). COVID19 – Impact on Women: The need for effective and equitable recovery policies and interventions. <https://www.Aph.Gov.Au/DocumentStore.Ashx?Id=6c48c9d0-E888-447c-Bc77-54dbddf4af08>. <https://www.aph.gov.au/help/500?aspxerrorpath=/DocumentStore.ashx>

stopping schools stopped our economy, and how childcare services failing threatened to take out a quarter of our frontline health workers, police and social services during the crisis.

In addition, the government's economic recovery policies have so far upheld a traditional bias to investment in physical infrastructure and construction over social infrastructure and services, despite the services sector accounting for close to 78 per cent of total employment in Australia.<sup>35</sup> These investment and wage protection policies do not provide direct support to the Australian women working (often part-time or casually) in heavily feminised industries and occupations, such as healthcare, aged, disability and child-care, teaching, the arts, retail, and hospitality, all of which have been significantly disrupted by the pandemic. While the government has provided much-needed funding to frontline domestic violence support services, there have been zero measures introduced to address women's economic security, threatening to reverse the gains in labour market participation made by women in recent decades.

According to *The Centre for Future Work*, the gender pay gap narrowed between November 2019 and May 2020 as thousands of women lost low-paid jobs. However, the disproportionate concentration of women in newly-created casual jobs, typically with lesser hours, security and pay when compared to men's paid work, is now returning the gender pay gap back to almost equal its pre-pandemic dimensions.<sup>36</sup> In addition to the gender pay gap, available evidence suggests that Australian women face inequality in the workplace in the following areas: lower-income and more precarious forms of employment, lower superannuation balances and gender power inequalities that place them at greater risk of workplace harassment.<sup>37</sup> These factors are partly responsible for women being more likely to live in (and spend more years living in) poverty than men.

**Recommendation:** Create a Women's Budget Unit within Treasury with the capacity and mandate to assess the gendered impacts of budget decisions and reduce the gender pay gap.

## 2.2 Migrant Workers and Temporary Visa Holders

Before COVID-19, more than 2 million temporary migrants in Australia accounted for up to 10 per cent of the Australian workforce in key sectors such as agriculture, hospitality, construction, and healthcare. Some of these workers were engaged in precarious work arrangements with minimal or no access to welfare payments; limitations which continued during the pandemic.<sup>38</sup> The health, social and economic impacts of lockdown laws disproportionately disadvantaged temporary visa holders and were significantly compounded by their deliberate exclusion from virtually all government social security support packages.

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<sup>35</sup> World Bank. (2020). Employment in services (% of total employment) (modelled ILO estimate) - Australia | Data. <https://data.worldbank.org/indicator/SL.SRV.EMPL.ZS?locations=AU&view=chart>

<sup>36</sup> Pennington, A (2021) Women's Casual Job Surge Widens Gender Pay Gap, Briefing Paper. The Australia Institute: Centre for Future Work

<sup>37</sup> Australian Human Rights Commission. (2017). Unleashing the power of gender equality: Priorities of Kate Jenkins Australian Sex Discrimination Commissioner. <https://humanrights.gov.au/our-work/sex-discrimination/publications/unleashing-power-gender-equality-201>

<sup>38</sup> Chaudhuri, U. & Boucher, A. (2021). "The future of enforcement for migrant workers in Australia: Lessons from overseas," Sydney Policy Lab, University of Sydney

As several industries with high concentrations of casualisation and temporary visa holders were most severely impacted by the shutdown, including hospitality, retail, entertainment and tourism, the extent of job and working hour losses were high. A nationwide survey of 5,342 temporary visa holders conducted by Unions NSW between March and May 2020 found 65 per cent of respondents had lost their job during the survey period (60 per cent for international students) and 23 per cent had their hours significantly reduced.<sup>39</sup> At the time of the survey, 87 per cent of respondents were experiencing difficulty covering basic living expenses, with 30 per cent unable to pay rent and anticipated imminent eviction and 43 per cent skipping meals on a regular basis.<sup>40</sup>

A small window of support through the early superannuation access scheme was extended to temporary visa holders, however the Commonwealth government suddenly reversed the policy as of 1 July 2020. A study by Farbenblum and Berg (2021) revealed that many international students (both those paid in cash but also those paid through direct deposit) soon discovered that their superannuation entitlements were never made by their employers<sup>41</sup>, and therefore could not even take advantage of this scheme. Some of these offending employers later entered into liquidation and impacted international students were unable to recover their unpaid entitlements.<sup>42</sup>

Temporary visa holders, including students, graduates and working holiday makers also fill important front-line roles in sectors such as aged care, delivery driving, or (as the recent *case 903* in Perth illustrates) hotel quarantine and other security services. Case 903, and the Victorian illustration where workers were obliged to continue working across multiple Residential Aged Care Facilities, clearly demonstrates the high risks associated with insecure, low-paid work for essential workers at the frontline of the pandemic.

COVID-19 simply highlighted many of the employment issues faced by temporary visa holders that have already been brought to public and government attention by media coverage and public inquiries into widespread wage underpayment. The types of exploitation that migrant workers face form a spectrum, ranging from manipulative contractual practices that result in wage theft, to forced labour to the threat of visa cancellation.

#### *Case Study: Wage Theft in Western Australia*

*As part of our submission to the inquiry into the systematic and deliberate underpayment of wages or entitlements of workers in Western Australia, WACOSS received the stories of three Subclass 457 visa holders who had each been significantly underpaid and denied their entitlements. All three workers were employed as tilers.*

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<sup>39</sup> Unions NSW (2020) No worker left behind: Survey results. <https://www.unionsnsw.org.au/wp-content/uploads/2020/08/NWLBSurveyResultsAug2020.pdf>

<sup>40</sup> Ibid.

<sup>41</sup> Bassina Farbenblum & Laurie Berg (2020) "We might not be citizens but we are still people": Australia's disregard for the human rights of international students during COVID-19, *Australian Journal of Human Rights*, 26:3, 486-506, DOI: 10.1080/1323238X.2021.1901645

<sup>42</sup> Florez, C. (2020) "International Student Andres Tried to Access His Super but Realised It Had Never Been Paid." *SBS News*, June 29, 2020. <https://www.sbs.com.au/news/international-student-andres-tried-to-access-his-super-but-realised-it-had-never-been-paid>

*The first, who was employed between June 2016 and May 2017, was not paid salary entitlements to the value of \$19,027.36. This included unpaid wages and annual leave. During that period, his employer failed to provide him with payslips and failed to make any contributions to the worker's superannuation fund. The employer alleged that the payments were delayed due to cash flow problems. After the worker engaged legal assistance, a settlement was negotiated and the employer paid the entire amount claimed.*

*The second tiler was the subject of wage theft from approximately May 2014 to April 2016. The employer hired him on the verbal agreement that in exchange for visa sponsorship he would not be paid the full salary stipulated in his contract of employment. Under his contract, his annual salary was \$94,400, but he was instead paid approximately \$60,000 per annum. In addition to unpaid wages and forced 'cash back' payments to his employer, the worker was required to pay for his own insurance. That total value of his claim across his entire period of employment was approximately \$93,000. The matter was settled privately.*

*The third was the subject of wage theft from December 2016 to February 2019. He was required to pay all costs in relation to his Subclass 457 visa application, including:*

- The Standard Business Sponsorship and Nomination application fees payable to the Department of Home Affairs;*
- The migration agent's fees for the Standard Business Sponsorship and Nomination applications; and*
- Payments towards staff training, as a requirement for the employer obtaining approval as a Standard Business Sponsor.*

*Under the Migration Act 1958, all of the above costs must be paid by the employer, not the visa applicant. The employer required the worker to pay all of these costs in exchange for visa sponsorship.*

*The worker was also required to make regular cash payments to his employer and was not paid for a number of hours worked. He was never paid annual leave, sick leave for any days absent from work due to illness and was not paid all superannuation amounts owed to him. The worker calculated the amount owed to him to total approximately \$50,600. At the time of writing the submission, March, 2019, no outcome had been reached.<sup>43</sup>*

WACOSS welcomes the removal of the 40 hours per fortnight work restriction for international students, as this will help relieve the pressure that pushes many into the cash economy. However, a lack of effective regulatory enforcement for non-compliant employers in Australia contributes to ongoing migrant worker exploitation — predominantly through underpayment — and the impacts of COVID-19 threaten to exacerbate this. According to the Sydney Policy Lab, “when it comes to ensuring fair wages and conditions, Australia has a well-documented enforcement gap between the number of workers experiencing exploitation and the number of actions taken against employers to ensure compliance. On top of the personal cost to families and communities, wage underpayments alone have been estimated to cost the Australian economy \$1.35 billion each year, particularly in

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<sup>43</sup> WACOSS (2019) [Inquiry into Wage Theft in Western Australia](#). Submission.

sectors with high proportions of migrant and other precarious workforces, such as construction, retail, and accommodation and food services.”<sup>44</sup>

Following the *Migrant Worker Taskforce Inquiry* and final report in 2019,<sup>45</sup> the Australian federal government endorsed all 22 proposed recommendations; however, no reforms have been implemented to date. WACOSS recommends that the Government allocate sufficient time and resourcing to establish a whole of government mechanism to further the work of the Migrant Workers’ Taskforce and implement the recommendations in the final report.

**Recommendation: Allocate sufficient resources to establish a whole of government mechanism to further the work of the Migrant Workers’ Taskforce and implement the recommendations in their final report.**

### 2.3 Indigenous workers

The gap in economic participation and life outcomes for Aboriginal people in Western Australia remains significant. This is in part a legacy of the impacts of past policies and practices, part a consequence of health, education and support service systems that are inappropriate or inadequate to meet levels of need, and part simply a consequence of lack of opportunity and poverty. Fear and lack of trust also play a critical role in lower rates of access to universal and secondary support services, particularly when it comes to justice and child protection services that many families associate with former stolen generation practices.

There is a lack of representative, meaningful and timely data on the Indigenous Australian workforce and the impact of the COVID-19 on employment and economic participation. To try and fill this gap, the Minderoo Foundation commissioned Deloitte Access Economics to quantify the economic impact through forecasting and modelling from 2016 economic data.<sup>46</sup> Key findings include:

- An estimated 14,400 Indigenous workers lost their jobs in the first three months of the COVID-19 pandemic
- New South Wales, Queensland and Western Australia experienced the greatest Indigenous job losses.
- Indigenous Australians were less likely to qualify for JobKeeper due to a higher number being employed on a casual basis for less than 12 months
- Overall employment impacts are expected to set back progress against Australia’s Closing the Gap employment targets by at least two years<sup>47</sup>

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<sup>44</sup> Chaudhuri, U. & Boucher, A. (2021)

<sup>45</sup> Commonwealth of Australia (2019) [Report of the Migrant Workers’ Taskforce](#)

<sup>46</sup> Minderoo Foudation (2021) [The impacts of COVID-19 on the Indigenous Workforce](#)

<sup>47</sup> Ibid.

Indigenous workers are also more concentrated in casual and insecure jobs, at 35 per cent of the Indigenous workforce, compared to the non-Indigenous workforce, at 25 per cent.<sup>48</sup> Within the industries most affected by COVID-19 response measures, Indigenous workers are substantially more likely to be casual than their non-Indigenous counterparts (60% and 48% respectively).<sup>49</sup> The short-term outcome of these cumulative job insecurity risks are demonstrated in the rising in proportion of the Indigenous working age population receiving an unemployment payment increased by 7.5% (reaching 26.3%) between February and May 2020. The same measure in the non-Indigenous population increased by only 4.8% (reaching 9.3%).<sup>50</sup>

There is a strong argument for a greater focus on Aboriginal employment in health, education and community services. Investing in the Indigenous health force can help ameliorate risks, reduce impacts and improve health outcomes by providing culturally relevant information and culturally safe forms of care. Given the projected growth of the service and caring economy, and disproportionately high levels of need for services and support by Aboriginal families and communities, the development of a human services workforce also offers an excellent opportunity for increasing economic participation, helping develop more sustainable and resilient local economies.

It has been widely recognised that in working towards the Closing the Gap targets and outcomes,<sup>51</sup> Aboriginal workers in culturally secure community-controlled organisations are more likely to be effective in closing gaps in health, education and employment outcomes as they have lived experience in and a deep understanding of the communities they serve. This includes cultural, social and linguistic knowledge and skills that set the workforce apart from other health professional groups.<sup>52</sup>

The numbers of Indigenous health workers and health practitioners are growing, but at a slower pace than overall Indigenous population growth. Following the same trend across the community services sector, the cohort is also ageing, and fewer people are entering the workforce. There is a clear role for government to commission appropriate employment support services at a local or regional level to ensure Indigenous health staff remain in employment where they are most needed. Existing Aboriginal organisations may be best placed to deliver this support, and the Aboriginal community-controlled health sector has a strong record of outcomes in this area.

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<sup>48</sup> Markham, F., Smith, D. & Morphy, F. (2020). Indigenous Australians and the COVID-19 crisis: perspectives on public policy, Topical Issue no. 1/2020, Centre for Aboriginal Economic Policy Research, Australian National University, Canberra.

<sup>49</sup> Dinku, Y., Hunter, B., Markham, F. (2020). Implications of COVID-19 for the Indigenous labour market, Research and Policy Brief No. 1, Supply Nation.

<sup>50</sup> Ibid.

<sup>51</sup> Australian Government (2021) [Closing the Gap Targets and Outcomes](#)

<sup>52</sup> Lowitja Institute for the Close the Gap Campaign Steering Committee (2021) [Close the Gap Campaign Report 2021](#)

**Recommendation: Develop a generational Aboriginal workforce development strategy that sets targets, provides incentives and support to increase Aboriginal employment and expand the role of Aboriginal community-controlled organisations delivering human services contracts.**

## 2.4 Young People

Casualisation is endemic in industries that tend to employ young people, such as hospitality, retail, and accommodation services, which have been hardest hit by COVID-19 restrictions. Half of workers aged 18-24 are on casual contracts, 79 per cent of which are concentrated in the most-affected industries.<sup>53</sup> A high proportion of casual employees in these industries have also held less than 12 months' service for their current employer. According to Churchill (2021), more than 46 per cent of casual employees in the accommodation and food services industry, 36 per cent of employees in retail and 33 per cent of employees in arts and recreation had been employed for less than 12 months.<sup>54</sup> Thus, many young people lost their jobs due to the industries they were employed in while also being ineligible for the JobKeeper wage subsidy.

Borland (2021) argues that young people are experiencing more persistent negative consequences from COVID-19 than other groups. The impact has been concentrated on a loss of full-time employment for young people not studying full-time. Young people who have completed their full-time education are finding it increasingly difficult to move into employment as a result of the impact of COVID-19; thereby exacerbating the long-run trend underway since the Global Financial Crisis (GFC).<sup>55</sup> Young workers in particular experienced long-term career scarring and diminished lifetime earnings following the GFC. The jobs lost during that crisis were eventually replaced by ones that were much more precarious and with worse conditions. Then, as now, young and female workers were more likely to lose their jobs.

The Youth Affairs Council of Western Australia (YACWA) conducted a survey on the impacts of COVID-19 on young people in Western Australia and found that 44 per cent of respondents have experienced a loss of income.<sup>56</sup> As such, 38 per cent are unable to buy essential supplies, 19 per cent are unable to buy essential medicine, and an overwhelming 91 per cent of respondents have experienced impacts on their mental health and stress levels.

The future of young Australians is being shaped by an economy that no longer provides the job and income security that were standard features for their parents and grandparents. Full-time permanent employment is out of reach for far too many young Australians. They are bearing the brunt of the many social consequences that arise from precarious employment, ranging from more

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<sup>53</sup> Melbourne Institute (2020). 'Jobless and distressed: the disproportionate effects of COVID-19 on young Australians', Melbourne Institute Research Insight: 26/20

<sup>54</sup> Churchill, B. (2021) 'COVID-19 and the immediate impact on young people and employment in Australia: A gendered analysis', *Gender, Work and Organization*, 28 (2): 783-794, <https://doi.org/10.1111/gwao.12563>

<sup>55</sup> Borland, J. (2021). [Labour market snapshot #76](#). University of Melbourne

<sup>56</sup> Youth Affairs Council of Western Australia (2020). 'Impacts of COVID-19 on young people in Western Australia: Feedback from the YACWA COVID-19 Youth Survey', <https://www.yacwa.org.au/wp-content/uploads/YACWA-COVID-19-YouthSurvey.pdf>

frequent mental health and anxiety concerns to increases difficulties engaging in the community to delaying the start of their own families.<sup>57</sup>

**Recommendation: Develop targeted educational campaigns for young people on their workplace rights and provide easy access to mechanisms for reporting maltreatment and underpayment.**

### **3. The aspirations of Australians including income and housing security, and dignity in retirement**

Job security is foundational to the achievement of security in other aspects of the lives of Australians - including financial, housing, energy, health and food security. Job security plays a critical role in our identity, our sense of purpose and of contributing and being valued within our community. As such, job security underpins our mental health and wellbeing, the stability of our families and relationships, and our capacity to raise the next generation and build a brighter future.

Insecure work contributes little if anything to these aspirations. While at times it can make sense as a short-term choice to meet a goal or support a transition, it has little to offer as an ongoing way of life. For the vast majority of Australians in insecure work, it is a grim necessity, not a lifestyle choice. A nation within which an increasing proportion of our citizens are forced to live from week to week and hand to mouth, in which our children cannot hope to have the standard of living we have taken for granted, is not something we should knowingly create through our actions (or inaction).

As a nation we need to rethink our approach to workplace policy to curb the growth of insecure work and financial insecurity. We need to do so to address the impacts of stagnant wages on economic growth, to ensure our resilience and sense of common purpose in the face of the next pandemic, natural disaster or economic crisis. We should do so from a moral basis, because it reflects our Australian values and way of life – to ensure that the ultimate outcome of our collective efforts is to improve the living standards and enhance the contribution made by all of our citizens.

Job insecurity hinders attempts at asset building and increasing financial resilience, especially when individuals and families are encouraged or forced by policy to draw down their savings to survive prolonged bouts of reduced working income or unemployment. This is particularly pertinent in the current COVID era of instantaneously imposed lockdowns and snap restrictions that result in unanticipated loss of work and income for those employed in highly casualised industries such as tourism, hospitality and retail.

#### **3.1 Income security**

Income security is foundational to the wellbeing of individuals and families because it provides them with the financial resilience to weather economic shocks, disasters and adverse life events. Income security also provides the basis for individuals to invest in education and training to improve their productivity and the value they add to our community. It also supports and enables longer term financial commitments to secure a home, plan for retirement, or invest in the capacity and development of the next generation.

The story of ‘workplace flexibility’ has largely been a one-way street for the majority of workers, where the flexibility to change hours and expenditure has largely benefitted employers. Only a minority of highly skilled professionals have been in a position to rearrange their work hours to meet

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<sup>57</sup> Martin, J. C., Lewchuk, W. (2018) The Generation Effect: Millennials, employment precarity and the 21st Century workplace. McMaster University and PEPSO

care and family commitments or improve their quality of life. In practice, the short-term economic benefit to businesses of greater flexibility may be undermined by the longer-term impacts on loyalty, productivity and reputation. Similar patterns hold true in terms of the international competitiveness of our economy, as the rise of insecure work threatens efforts to progress toward a more advanced economy.

In terms of impact on wages and income, precarious employment has been strongly linked with the prevalence of exploitation, underpayment and wage theft. It is also a major factor underlying the current skills shortages across the community services sector, particularly in regional areas.

### **3.2 Housing Security**

Access to safe, secure and affordable shelter is essential for people to be able to fully engage in our community. Stable tenancies are crucial to support positive outcomes in areas like health and wellbeing, education and employment. Conversely, insecurity and instability in housing creates the circumstances for increased hardship and entrenched disadvantage. An emerging body of international research suggests that housing is associated with many aspects of social and economic life, including personal and family wellbeing, mental and physical health, economic participation, social connectedness, community functioning, sustainable cities and social cohesion.<sup>58</sup> In order to secure safe and affordable housing, Australians need a steady form of income that enables them to not only meet their housing needs, but also pay for other essential living costs that form the basis for a healthy life.

The Australian Housing and Urban Research Institute (AHURI) conducted an Australia-wide analysis of the consequences of underemployment for housing security using data from the first nine waves of the Household, Income and Labour Dynamics in Australia (HILDA) survey.<sup>59</sup> The analysis revealed a statistically significant and strong association between underemployment (which is correlated with insecure employment, especially casual contracts) and housing insecurity. As underemployed workers in casual and temporary jobs endure irregular schedules and intermittent employment and low or volatile incomes, they are therefore more likely than their adequately employed counterparts to experience difficulties meeting fixed commitments such as rent and mortgage payments. Similarly, underemployed households are more likely to experience hardship meeting utility bill payment requirements and have difficulty saving.<sup>60</sup> The higher odds of rental payment arrears among the underemployed may indicate problems of cash flow stemming from insecure earnings and delayed or limited access to income support.

The combination of unaffordable housing, a rising housing market and tighter conditions on mortgages requiring proof of ongoing long-term employment contracts means that precarious workers are structurally locked out of home ownership. Young workers face increasing intergenerational inequity as both housing and long-term employment become increasingly

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<sup>58</sup> Hulse, K. and Saugeres L. (2008). Housing insecurity and precarious living: an Australian exploration: Final report. Australian Housing and Urban Research Institute.

<sup>59</sup> Campbell I., Parkinson, S. and Wood, G. (2014) Underemployment and housing insecurity: an empirical analysis of HILDA data, AHURI Final Report No.230. Melbourne: Australian Housing and Urban Research Institute.

<sup>60</sup> Ibid.

unattainable, and increasingly it is only those who can access wealth within their family for a deposit and a professional position with a long-term contract who can secure a deposit to buy a house in any Australian capital city.

A combination of high rents and low or volatile income can cause people to live in substandard housing and may impact their ability to afford other necessities like food and medical bills. Western Australia is currently witnessing increasing demand for social and affordable housing tenancies amid steady rises in rental prices. Median rents in Perth have been increasing since the end of 2018, with 2020 seeing a sizeable uptick. At the same time, the rental vacancy rate has been in freefall since 2017. The COVID crisis saw a significant number of Western Australians returning home in 2020, compounding the pressure on the rental vacancy rate.

The annual Anglicare Rental Affordability Snapshot takes a ‘snapshot’ on a given day of the rental market and examines whether the properties being advertised are both affordable for a range of different low income types and whether those properties are appropriate for the composition of their household.<sup>61</sup> Since 2020, the report found that median rents had increased in the Perth Metro area by 16 per cent from \$370 to \$430, in the South West and Great Southern by 12 per cent from \$330 to \$370, and in the North West by 17 per cent from \$470 to \$550. Rental prices are predicted to continue to rise by an additional 10 to 15 per cent throughout 2021. Landlord decisions to increase rents can trigger involuntary moves for low-income renters which incurs its own set of costs, including bond (typically four weeks’ rent, paid in advance), disconnection and reconnection of utilities, cleaning service fees and removalists or vehicle hire. For those living on already stretched budgets, the costs of increased rent or moving can heighten the risks of financial hardship, falling into marginal housing, overcrowding or homelessness.<sup>62</sup>

The Productivity Commission describes rental affordability as a “driver of disadvantage” for low-income households.<sup>63</sup> The more of their income that households must dedicate to covering housing costs, the less they will be able to spend on other essentials like food, energy and health. It can also mean that any slight increase in their rent can have a dramatic impact on their ability to stay in a property and maintain the important connections they have established throughout their local community, along with their proximity to jobs and services.

**Recommendation: Introduce a conversion scheme that strengthens causal and fixed-term contract employees to convert to permanent employment.**

### 3.3 Dignity in Retirement

Financial security and resilience are also affected by the introduction of short-term and ill-considered policy measures such as the temporary early access to superannuation that has resulted in almost 3 million Australians accessing their super savings to meet short-term financial needs

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<sup>61</sup> Anglicare WA (2021) Rental Affordability Snapshot – Western Australia

<sup>62</sup> Productivity Commission (2019) Vulnerable Private Renters: Evidence and Options, Commission Research Paper, Canberra.

<sup>63</sup> Ibid.

during the COVID crisis. This will clearly impact the long-term compound interest on their superannuation balance and therefore their ability to secure a dignified retirement.

Australians who have worked throughout their adult lives, paid their taxes and contributed to their communities have a right to expect as citizens they will be granted dignity in retirement. Insecure work is undermining the capacity of Australian workers to provide for their retirement years. If current circumstances continue, we risk seeing many of today's young workers and working families facing poverty and financial hardship in retirement. Today the fastest growing cohort facing homelessness and poverty in age are women over 55. Increasing numbers of Australians are facing retirement without owning their own homes, unable to access affordable rental, and facing ongoing financial hardship.

Australia faces an emerging challenge with an ageing population, as the proportion of those in retirement and within the aged care system increases relative to the working age population. Our capacity to provide care and economically support an ageing population is diminished when, as currently predicted, we see fewer people retiring owning their own homes and having sufficient superannuation savings and assets to be able to meet the cost of living and provide for increasing levels of care as they age.

#### **4. The interaction of government agencies and procurement policies with insecure work**

In addition to its' responsibilities for national industrial relations and social security policy, and oversight of workplace practices, the Commonwealth Government has specific responsibility for service system design, funding and commissioning in the areas of aged care, childcare and disability services – three of the most vulnerable groups within our community.

As citizens it is reasonable for us to be concerned about the manner in which public funds are used to deliver public services to vulnerable citizens, and to expect the Commonwealth to have a duty of care to both the recipients and the providers of those services while also being accountable for the appropriate and efficient use of those funds. Hence, when it comes to the way that Commonwealth agencies design service systems, commission, contract, register, certify or otherwise provide oversight for those services, report on service outcomes and quality standards, it is fair and reasonable to expect them to ensure that working conditions are conducive to the delivery of quality care services and that workers are not being mistreated, exploited or subject to insecure work arrangements. Public funds for public services should be seen above all to deliver public value, not contribute to the profits of some proponents at the expense of either the workers or the clients of those services. Procurement policies and service system design should not encourage insecure and precarious work.

We face an emerging challenge with growing demand for care services in multiple areas (including aged care and disability services, mental health, early childhood education and care) however we continue to lack clear policy and funding mechanisms for assessing and responding to this growing need. Services are effectively being rationed and service funding reduced in relation to the true cost of care, despite clear evidence that these services are highly valued by citizens, make significant differences to their health, wellbeing and quality of life, and ultimately deliver strong economic outcomes, increase productivity and reduced the longer-term cost of tertiary services.

While the immediate 'employer' for most of the social service workforce delivering these public services is most likely to be a not-for-profit community-based organisation, service models and employment conditions are effectively determined by the level of government that funds the organisation. As part of addressing job insecurity and to prevent it occurring in the community services sector, State and Federal Governments need to take seriously their position in the 'supply chain' and the fundamental role it has in shaping the activities of the sector. In particular, it needs to consider how policy decisions and contracting practices create an environment where the potential for the exploitation of workers is high, as organisations struggle to meet contractual service level obligations, they are unable to renegotiate or are unable to offer longer term employment contracts when funding agreements are short-term and contract renewals are inevitably late and not subject to meaningful negotiation.

Not-for-profits and others delivering community services face increasing workforce pressures and long-term planning is required to address future workforce needs. For not-for-profits, less than full cost funding of many services has resulted in substantial wage gaps for staff. The challenges in retaining staff threaten the sustainability and quality of services. Greater clarity about funding commitment is an important step in addressing these issues.

The highly insecure nature of the disability sector, for example, is contributing to a number of workforce and sector challenges. A 2018 study of wage theft and underpayment for disability support workers employed under NDIS arrangements found that some of the ways in which disability support work is being organised under NDIS implementation, is leaving employees underpaid for significant amounts of their working time. In particular, it identified the non-payment or underpayment of travel, overtime and administrative tasks of disability support workers.<sup>64</sup>

The study argues that in fact the funding and regulatory environment of the NDIS institutionalises and facilitates the systemic non-payment of working time for homecare workers. A stark example of this was that the only employees in the study who were paid for travel time lost work as their employer's disability services provision was deemed not viable under the new funding arrangements.

We note that this also highlights a particular regulatory gap in the protection of community service workers, in that activities that could be considered wage theft for workers under a different award (for example not being paid for time travelling between different work assignments) are not necessarily covered in the terms of the Social, Community, Home Care and Disability Services (SCHADS) Award. This means that while this lack of payment is unfair and fails to recognise the true costs of service delivery, it may not technically constitute wage theft. This is why governments, as procurers of services and regulators of service quality, need to play a more active role in ensuring the programs and services they design and contract are safe and fair. Moreover, workers need the opportunity to accumulate skills, both to reduce the high turnover rate and to improve the services and outcomes for people with disabilities. That requires some basic assurances of stability and predictability in future employment.

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<sup>64</sup> Fiona Macdonald, Eleanor Bentham and Jenny Malone (2018) 'Wage theft, underpayment and unpaid work in marketised social care', *The Economic and Labour Relations Review*, Vol. 29(1) 80-96

**Recommendation:** Use Commonwealth procurement policies and practices as a lever to drive secure work opportunities in public service delivery (including aged care, childcare and NDIS) using longer-term contracts and service quality standards to deliver better care outcomes.

If you would like to discuss this submission further, please contact the WACOSS Research and Policy Development Leader Chris Twomey at [chris@wacoss.org.au](mailto:chris@wacoss.org.au) or (08) 6381 5300.

Yours sincerely,

A handwritten signature in black ink, reading "L. Giolitto". The signature is written in a cursive, flowing style.

Louise Giolitto  
Chief Executive Officer  
WACOSS