



31 March 2021

Select Committee on Job Security  
Department of the Senate  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Dear Senate Committee on Job Security

**RE: Inquiry into the impact of insecure or precarious employment on the economy, wages, social cohesion and workplace rights and conditions**

The St Vincent de Paul Society National Council of Australia Inc (the Society) welcomes the opportunity to make this submission to the Senate Committee.

The Society is a lay Catholic charitable organisation that comprises just over 50,000 volunteers and members and 6,000 employees who provide on-the-ground assistance in the form of emergency relief, housing and other support and community services across Australia.

***The profile of those we assist***

The Society's members and staff witness, first-hand, the hardship experienced by those who are unable to secure employment. Many are forced to access emergency relief and other support services. Each year we distribute around \$65 million a year in emergency relief.

In NSW, prior to the pandemic, around one in three people who sought assistance were on income support. Vouchers for paying energy bills and buying food and clothing were most frequently provided. More than half of those assisted had sought help five or more times in the year and those at greatest risk had limited employment and no safety net.

Generally, those assisted during the pandemic had limited means of support and did not qualify for government-funded financial or medical assistance. Many were casual workers who had lost their jobs. Many were people seeking asylum on bridging visas and temporary visa holders including refugees, temporary migrant workers and international students.

Vinnies NSW is already witnessing a steady increase in requests for assistance. Its [Filling the Gap report \(March 2021\)](#) indicates that there was a 75 percent drop in requests for assistance from June to August 2020, compared to the same period in the previous year, due to the impact of the Coronavirus Supplement. However, each reduction in the Supplement has seen a corresponding increase in requests for assistance.

Low-income earners comprise the unemployed and under-employed, usually casuals and part-timers with limited or no job security and poor pay and conditions. They have less resources to fall back on, with fewer savings and little superannuation, particularly if they have accessed their superannuation early. Those we assist are in this cohort. Job insecurity increases the vulnerability of these people and invariably leads to them having to rely on charitable and other support networks, just to get by.

***Job security is needed now***

Job security is especially needed now, during this period of economic recovery. Research has shown that the people most adversely affected during the pandemic were those in insecure jobs. It will also take a longer period for them to recover.

To summarise:

- Workers in insecure jobs were more adversely affected than those in standard, permanent positions. Casual workers lost employment eight times faster than those in permanent jobs. Part-time workers lost work three times faster than full-time workers. Insecure self-employed workers lost work four times faster than those in more stable small businesses.
- The rebound of employment since May 2020 has been dominated by insecure jobs. Casual jobs presently account for 60 percent of all waged jobs created since May. Part-time work accounts for almost three-quarters of all new jobs.

- Casual employment grew by over 400,000 positions between May 2020 and November 2020, the biggest expansion of casual employment in Australia's history.
- Young people suffered much worse job losses in the initial months of the pandemic. And while workers over 35 have fully recovered to pre-pandemic employment levels, younger workers are still experiencing major job losses.
- Workers in office-based occupations were able to shift their work to home as the pandemic hit, and suffered smaller job losses, with employment either regained or surpassing pre-pandemic levels. However, for other workers, employment remains far lower than before the pandemic including community and personal services, sales workers and labourers. These uneven occupational effects have exacerbated inequality - those who lost work were the people who, on average, earned less and experienced greater job insecurity before the pandemic.
- Some industries are still experiencing lower employment than before the pandemic hit (including hospitality, information and communications, and arts and recreation).
- Women suffered disproportionate job losses when the pandemic hit, and that gender gap has not been closed during the rebound. Women's employment, unemployment, underemployment, and participation all remain significantly weaker than for men.<sup>1</sup>

The pandemic has had disequalising effects on employment and income – in a labour market that was already very unequal before COVID-19 hit. Inequality has been further exacerbated through the Government's employment policy responses. Many workers in insecure jobs were arbitrarily excluded from important income support measures: like JobKeeper, which excluded 1.1 million short-tenure casual workers, and JobSeeker, which excluded foreign migrant workers.<sup>2</sup>

***Employment figures have improved but for how long and for which sectors and cohorts?***

Recent ABS labour force data indicate that the full-time unemployment rate decreased from 6.3 percent to 5.8 percent, noting that many people took leave in January 2021.<sup>3</sup> Notably, the underemployment rate increased from 8.1 percent to 8.5 percent during the same period.

Commentators have stated that the labour market appears to be 'improving much faster than most people expected... but that the next test for the labour market will be the expiry of the JobKeeper program.'<sup>4</sup>

The Treasury estimates that with the end of JobKeeper, between 100,000 to 150,000 jobs will be lost.

The Australia Institute considers that the big boost in Government spending last year helped prop up the economy and kept unemployment down, but big cuts in Government spending (such as the cessation of JobKeeper) will drive economic growth down and unemployment up.<sup>5</sup>

The face of recovery favours those in secure jobs. Casuals, the underemployed and those working in retail, hospitality, arts, tourism, transport, security and aged care are more likely to experience job insecurity and these jobs are often held by women, young people, single parents and people on temporary visas or seeking asylum.

***Women***

The Grattan Institute has found that women fared worse during COVID-19

- they lost more jobs than men – almost 8 per cent at the peak of the crisis, compared to 4 per cent for men
- they shouldered more of the increase in unpaid work – including supervising children learning remotely – taking on an extra hour each day more than men, on top of their existing heavier load, and
- they were less likely to get government support – JobKeeper excluded short-term casuals, who in the hardest-hit industries are mostly women.<sup>6</sup>

***Young people***

The Productivity Commission has found that young people (15–24-year-olds) have seen their average income, adjusted for inflation, fall by 1.6 percent per annum between 2008 and 2018. This means the incomes of Australia's youth have stagnated this century.

Young people are also more likely to be employed on a part-time or casual basis in sectors with a high absorptive capacity, namely retail, hospitality and tourism. It is these sectors that have been most damaged by the pandemic crisis and for which recovery remains uncertain. Unemployment among young people is predicted to remain high for some time as there is unlikely to be strong growth in these sectors.<sup>7</sup>

Recent monthly unemployment data show that youth unemployment decreased by 1.1 points to 12.9 percent.<sup>8</sup> This may be due in part to 347,000 places available under JobTrainer, increased funding for domestic university enrolments and the 50 percent wage subsidy for apprentices and trainees. However, while youth employment grew 37,000 in February, around 74,000 young people have lost their job since March 2020.

Full time employment for young people has not recovered from its fall in May 2020. Youth employment is still down 3.8 percent compared to March 2020.<sup>9</sup>

### **Single parents**

Single parents with dependent children — eight out of ten of them women — were far more likely than others to lose work at the height of the pandemic and are far more likely to still be out of work now.

During COVID-19, single parents were overrepresented in job loss figures for a range of reasons including lack of childcare, having to home school and/or because they are in insecure work. One quarter of single parents held casual jobs in vulnerable sectors such as retail and hospitality without paid leave and these jobs were the first to go as a consequence of the pandemic.<sup>10</sup>

More than half were also ineligible for JobKeeper support, having been in casual jobs for less than a year. Single parents were also among the most disadvantaged Australians, before COVID-19.

### **People seeking asylum and those on temporary visas**

At February 2021, around 1.8 million people were on temporary visas,<sup>11</sup> many with little or no safety net, such as those seeking asylum. Commonwealth-funded emergency relief payments that have been made available are one-off in nature and do not provide an adequate, sustained approach to addressing people's needs. Consequently, the Society is using mostly its own resources to provide ongoing housing and emergency relief assistance to these people.

For those receiving Red Cross emergency relief:

- 60 percent were students and 15 percent were asylum seekers.
- most are young, with half being in their 20s and 17 percent being children.
- most are experiencing financial insecurity, with over 80 percent using payments to cover basic living costs.
- most are experiencing housing insecurity, with over 60 percent at risk of homelessness and receiving inconsistent rent relief.
- most have experienced gaps in health care, with many not accessing it due to concerns about their visa status or because they can no longer afford health insurance, which may put them in breach of their visa condition.
- most have deteriorating mental health due to the uncertainty they face with many unable to access counselling support or medication because this assistance is not covered by their insurance.<sup>12</sup>

### **Job Security, the Fair Work Amendment (Supporting Australia's Jobs and Economic Recovery) Bill 2020 (the Fair Work Bill) and the Senate Standing Committee on Economics' Unlawful underpayment of employees' remuneration**

We note that this inquiry is due to release its final report on 30 November 2021, that the Fair Work Bill was passed on 22 March 2021 and that the final report on the inquiry into unlawful underpayment of employees is due 24 June 2021. We consider these activities to be inter-related and they should be informing each other. Instead, it appears that they are being conducted separately, with no clear avenues for information sharing.

The Society's position on the Fair Work Bill is outlined in [Submission No. 37](#). We are pleased that the worst aspects of the Bill were rejected (such as the extension of JobKeeper award flexibilities to employers to change working conditions, exemption of the Better Off Overall Test and 8-year greenfield agreements with no rights for workers to renegotiate).

However, the pared-down version of the Fair Work Bill passed by both Houses still contains measures that will entrench insecure work. Employers will be able to keep hiring people as casuals despite them performing ongoing permanent work, leaving casual workers with no viable path to ongoing work and no ability for workers to enforce their rights.

The Government dropped provisions that would have increased penalties for employers committing wage theft and made it easier for workers to claim stolen wages back. These were the only provisions that had broad agreement from unions, employers and workers.

The Government should return to the drawing board, re-commence consultation with a broader range of stakeholders, including charities and not for profit organisations. The approach should be even-handed, aimed at improving workers' rights and job security, not creating an uneven playing field, leaving workers with limited avenues of appeal.

***Job security is needed to reduce the risk of wage and superannuation theft***

It is no surprise that those who are vulnerable, most disadvantaged and with little or no support network are more likely to be exploited in the labour market.

For these people, wage and superannuation theft is a significant issue.

Research shows that more than half of casual workers do not receive the 25 percent loading in their pays. This means that they have fewer rights, no paid leave and lower pay than permanent workers. Australia lags behind almost all other high-income countries that require temporary workers to have the same leave entitlements as permanent workers. Of the 800,000 jobs lost since the beginning of the pandemic, 500,000 were casual workers – insecure jobs were the first to go when the pandemic hit and unfortunately even more are being created during the recovery.<sup>13</sup>

The ACTU has found that wage and superannuation theft is rife largely because courts are inaccessible and expensive; and current penalties are not acting as a deterrent. Typically, those who experience wage theft are vulnerable - such as casual or temporary visa workers - and are hesitant to enforce their rights. If a worker complains about a breach of workplace law, they face significant costs and risks, as only the courts can issue a binding order.<sup>14</sup>

***Principles that should underpin labour market reform***

The Society believes that:

- workers should not be worse off – either through cuts to pay or removal of rights
- the dignity of the human being must be maintained – everyone is of great value and worthy of respect and protection; and every person is entitled to their rights in justice
- the human dignity of vulnerable people must be enhanced
  - people must not be exploited or devalued
- those most disadvantaged should be assisted, not further penalised or marginalised
- resources must be used appropriately and directed to help those who need it most
- the common good of society must be fostered
- opportunities to address inequality should be capitalised – inequality should not be exacerbated through poor policy, legislation or other mechanisms
- labour market programs and training should enhance self-esteem and preserve human dignity.

The Society believes in the dignity of work and the rights of workers, particularly the right to productive work and to decent and fair wages. Work should be the setting for rich personal growth, where many aspects of life enter into play: creativity, planning for the future, developing our talents, living out our values and relating to others.

Work is a necessity, part of the meaning of life, a path to growth, human development and personal fulfillment. Helping the poor financially must always be a provisional solution in the face of pressing needs. The broader objective should always be to allow them a dignified life through work. To stop investing in people, in order to gain greater short-term financial gain, is bad business for society.<sup>15</sup>

### **JobMaker should be revamped**

The \$4 billion JobMaker scheme displaces the disadvantaged, low-skilled and high-turnover older workers. Businesses have not taken up the program, with only 521 new jobs created in its first six weeks.<sup>16</sup> The Grattan Institute considers the scheme to be too narrowly targeted and that most Australians that could benefit from JobMaker are not eligible, as are many employers. We support calls for the under 35 age limitation to be removed.

Thank you for the opportunity to provide this submission.

Yours sincerely



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**Chief Executive Officer**

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- <sup>4</sup> Hutchens. G. Pupazzoni. R. 19 March 2021. *Unemployment rate falls to 5.8 per cent, down from 6.3 per cent*. ABC News. Accessed at: <https://www.abc.net.au/news/2021-03-18/unemployment-rate-falls-to-5.8-per-cent/13258872>
- <sup>5</sup> The Australia Institute. 24 March 2021. *Removing JobKeeper isn't a 'Bump' to Unemployment, it's a Shoulder Charge*. Media Release. Accessed at: <https://australiainstitute.org.au/post/removing-jobkeeper-isnt-a-bump-to-unemployment-its-a-shoulder-charge/>
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- <sup>11</sup> Data.gov.au. 23 March 2021. Temporary visa holders in Australia. Accessed at: <https://data.gov.au/dataset/ds-dga-ab245863-4dea-4661-a334-71ee15937130/details?q=>
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