



**Submission to**

**Inquiry into the extent, nature and  
consequence of insecure work in the ACT**

**ACT Legislative Assembly Standing Committee on  
Education, Employment and Youth Affairs**

**July 2017**

# About ACTCOSS

ACTCOSS acknowledges Canberra has been built on the land of the Ngunnawal people. We pay respects to their Elders and recognise the strength and resilience of Aboriginal and Torres Strait Islander peoples. We celebrate Aboriginal and Torres Strait Islander cultures and ongoing contribution to the ACT community.

The ACT Council of Social Service Inc. (ACTCOSS) is the peak representative body for not-for-profit community organisations, people living with disadvantage and low-income citizens of the Territory.

ACTCOSS is a member of the nationwide COSS network, made up of each of the state and territory Councils and the national body, the Australian Council of Social Service (ACOSS).

ACTCOSS' vision is to live in a fair and equitable community that respects and values diversity, human rights and sustainability and promotes justice, equity, reconciliation and social inclusion.

The membership of the Council includes the majority of community based service providers in the social welfare area, a range of community associations and networks, self-help and consumer groups and interested individuals.

ACTCOSS receives funding from the ACT Government.

ACTCOSS advises that this document may be publicly distributed, including by placing a copy on our website.

## Contact Details

Phone: 02 6202 7200  
Fax: 02 6288 0070  
Address: Weston Community Hub, 1/6 Gritten St, Weston ACT 2611  
Email: [actcoss@actcoss.org.au](mailto:actcoss@actcoss.org.au)  
Web: [www.actcoss.org.au](http://www.actcoss.org.au)

Director: Susan Helyar  
Policy Officers: Geoff Buchanan  
Eliza Moloney

ACTCOSS acknowledges contributions from members in the preparation of this submission, including: Care Inc. Financial Counselling Service, Carers ACT, Unions ACT, Women's Centre for Health Matters, Youth Coalition of the ACT, YWCA Canberra.

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## Acronyms

ABS	Australian Bureau of Statistics
ACOSS	Australian Council of Social Service
ACTCOSS	ACT Council of Social Service Inc.
CALD	culturally and linguistically diverse
FECCA	Federation of Ethnic Communities' Councils of Australia
ILO	International Labor Organisation
JCGRG	Joint Community Government Reference Group
NDIA	National Disability Insurance Agency
NDIS	National Disability Insurance Scheme
OECD	Organisation for Economic Co-operation and Development
SEIFI	Socio-Economic Index for Individuals
VET	Vocational Education and Training

## Summary of recommendations

1. Invest in a holistic, whole-of-community response to insecure employment that involves government, community sector, employers, and education and training providers to address socioeconomic disadvantage and barriers to secure employment.
2. The Standing Committee should undertake a comprehensive survey of data on disadvantage and insecure employment in the ACT, including insights from people with lived experience and those organisations that offer support services. Beyond this inquiry, the ACT Government should capitalise on the release of 2016 Census data to produce a detailed, up-to-date picture of disadvantage in the ACT. This should include an updated Socio-Economic Index for Individuals (SEIFI) for the ACT in order to reveal disadvantage that is hidden by area-level analysis.
3. The concessions scheme offered by the ACT Government be improved and expanded to provide access according to need, not age or source of income.
4. Pursue equity in education in the ACT as a critical foundation for inclusive economic growth and diversification and to address barriers to gaining secure employment for those transitioning from education.
5. Further strengthen alignment between the Vocational Education and Training (VET) system and local employment opportunities, focusing on making the system inclusive and accessible for those experiencing barriers to gaining secure employment.
6. Take action to reduce the prevalence of insecure work within the community services sector as part of ACT Government procurement reform in consultation with the community sector. This needs to be a central part of the implementation of the ACT Community Services Industry Strategy 2016-2026. This should include a review of the adequacy of indexation for government funding of community services.
7. Access to secure employment and work that pays a living wage and offers basic entitlements should be a central element of ACT Government's Business Development Strategy and other economic growth and diversification initiatives. These should focus on industries' potential to provide secure employment and work that pays a living wage and offers basic entitlements.
8. Expand social procurement for ACT Government contracts to create employment opportunities for people experiencing disadvantage and barriers to gaining secure employment.
9. Encourage ACT employers to adopt secure, flexible employment practices that support workers to manage family and caring responsibilities, study, and other life commitments. This would include incorporating provisions into ACT Government procurement policy and practice.
10. Build competence and resource ongoing development of tools that support increased capability of employers to value and improve workplace diversity, especially in industries that are growing in the ACT (education, construction, health and community services).
11. The ACT Government should establish employment targets for equity groups such as people with disability in the ACT public service and encourage business and community organisations to adopt targets.

## Introduction

The ACT Council of Social Service Inc. (ACTCOSS) welcomes the opportunity to make a submission to the inquiry into insecure employment in the ACT by the Standing Committee on Education, Employment and Youth Affairs.

ACTCOSS is the peak body for community organisations and people experiencing disadvantage in the ACT. Given this role, ACTCOSS has a strong interest in the issue of insecure work in the ACT. Recent inquiries into insecure work in Australia have highlighted the impacts of insecure work on people experiencing disadvantage and within the community sector that delivers vital services, often on behalf of government.<sup>1</sup>

The Australian Council of Social Service (ACOSS) has noted the emergence of a dual or 'two track' labour market in Australia, 'comprising secure, full-time employment and insecure, casual, part-time or contract employment'.<sup>2</sup> In this labour market, low-skilled workers are to a large extent confined to insecure work in industries such as construction, retail, and community services and health care. Once in insecure employment it is difficult to gain secure employment. ACOSS noted that 'under-funding and insecurity of funding for non-government community services contributes to the high incidence of insecure employment in that sector'.<sup>3</sup>

ACTCOSS has noted the impact these labour market shifts are having in the ACT:

While the ACT has historically had stable employment opportunities and a strong economy, some old assumptions about the labour market and income patterns in the Territory no longer hold true.

Our economy is changing and with it we are developing a different employment mix with an increased share of jobs that are in the service industry which offers more precarious and casualised employment than the public sector labour market. As some agencies move out of Canberra the overall mix of jobs is also changing

While the image of Canberra is of a public service town where people work a standard 9.00am to 5.00pm day, this no longer corresponds with reality, if it ever did. The public sector now only accounts for one third of our workforce.

Alongside this, public sector jobs are also increasingly casualised, part time or in contract work connected to short term projects.<sup>4</sup>

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1 Victorian Inquiry into the Labour Hire Industry and Insecure Work, *Final Report*, Industrial Relations Victoria, Department of Economic Development, Jobs, Transport and Resources, Melbourne, 31 August 2016; Independent Inquiry into Insecure Work in Australia, *Lives on hold: unlocking the potential of Australia's workforce*, ACTU, Melbourne, 2012.

2 ACOSS, *Submission to Independent Inquiry into Insecure Work in Australia*, ACOSS Paper 181, ACOSS, Strawberry Hills NSW, January 2012, p. 4, accessed 30 June 2017, <<https://www.actu.org.au/media/349471/australian-council-of-social-services.pdf>>.

3 *ibid.*, p. 6.

4 ACTCOSS, *Submission: Design, scope, cost-benefit analysis, contracts awarded and implementation associated with the Better Management of the Social Welfare System initiative*, ACTCOSS, Canberra,

Insecure work can be seen as both a cause and effect of disadvantage, requiring a holistic response that addresses both socioeconomic disadvantage and the barriers to secure employment. This in turn requires a whole-of-community response involving government, community sector, employers, and education and training providers.

This submission provides a preliminary examination of the nature, extent and consequences of insecure work in the ACT, focusing on impacts on people experiencing disadvantage and the community sector. ACTCOSS recommends that the inquiry undertake or facilitate a comprehensive survey of data on insecure work in the ACT and gather evidence of the lived experience of individuals and families impacted by insecure work to inform measures to address this issue in the ACT.

### **Recommendation 1**

Invest in a holistic, whole-of-community response to insecure employment that involves government, community sector, employers, and education and training providers to address socioeconomic disadvantage and barriers to secure employment.

## **Extent and nature of insecure work in the ACT**

Insecure work has been defined as ‘that which provides workers with little social and economic security over their working lives’.<sup>5</sup> Indicators of insecure work have been identified as:

- Unpredictable, fluctuating pay
- Inferior rights and entitlements, including limited or no access to paid leave
- Irregular and unpredictable working hours, or working hours that, although regular, are too long or too few and/or non-social or fragmented
- Lack of security and/or uncertainty over the length of the job
- Lack of voice at work on wages, conditions and work organisation.<sup>6</sup>

In contrast, the notion of ‘decent work’ has been promoted by the International Labour Organisation (ILO) and included within the United Nations Sustainable Development Goals (alongside inclusive and sustainable economic growth):

[Decent work] involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families,

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March 2017, accessed 30 June 2017, <<http://www.actcoss.org.au/publications/advocacy-publications/submission-better-management-social-welfare-system-initiative>>.

5 Independent Inquiry into Insecure Work in Australia, *Lives on hold: unlocking the potential of Australia's workforce*, ACTU, Melbourne, 2012, p. 1, available at, <[https://www.actu.org.au/media/349417/lives\\_on\\_hold.pdf](https://www.actu.org.au/media/349417/lives_on_hold.pdf)>.

6 *ibid.*

better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.<sup>7</sup>

The ILO has developed a comprehensive set of statistical and legal framework indicators, of which measures of insecure work is part.<sup>8</sup> Oxfam Scotland has developed a mixed method, participatory approach to identify priorities for decent work with low-paid workers.<sup>9</sup> These methodologies provide useful guidance for efforts to gain a comprehensive, contextualised and community-informed understanding of the extent, nature and consequence of insecure work in the ACT.

ACTCOSS' fundamental concern in regards to addressing the issue of insecure work in the ACT is to ensure that work pays a living wage and offers basic entitlements.

## People most impacted by insecure work in ACT

A survey of the literature indicates that those people most impacted by insecure work in the ACT are likely to include, but not be limited to:

- Aboriginal and/or Torres Strait Islander people
- Carers, including people returning to employment from caring roles
- Lone parents
- People from culturally and linguistically diverse backgrounds
- People involved in the justice system
- People on low income, including income support
- People with disability
- People working in the community services, hospitality, and construction industries
- Women
- Working visa holders
- Young people.

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7 International Labour Organisation (ILO), Decent Work, viewed 23 June 2017, <<http://www.ilo.org/global/topics/decent-work/lang--en/index.htm>>.

8 ILO, *Decent work indicators: guidelines for producers and users of statistical and legal framework indicators*, ILO Manual, 2<sup>nd</sup> version, ILO, Geneva, 2013, accessed 30 June 2017, <[http://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/publication/wcms\\_229374.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/publication/wcms_229374.pdf)>.

9 F Stuart, H Pautz & S Wright, *Decent work for Scotland's low-paid workers: a job to be done*, Oxfam GB (Oxfam Scotland), Glasgow, 2016, accessed 30 June 2017, <<http://policy-practice.oxfam.org.uk/publications/decent-work-for-scotlands-low-paid-workers-a-job-to-be-done-619740>>.

Below we outline some of the ways that insecure work has been found to impact on some of these groups of people. Intersectionality is an important issue in regards to those people most likely to be impacted by insecure work. We note that in many instances people may identify with more than one of the categories discussed below. People with intersectional experiences of these categories face compounding risks of insecure work. As noted below, women with disabilities are more likely to be insecure workers, as well as culturally and linguistically diverse women, older people, and young people. We note that just as there is a need to respond to the following particularly vulnerable groups, responses should be able to respond to people who identify cross-category. Intersectional data gathering and reporting is particularly important to facilitate this.

### **Aboriginal and/or Torres Strait Islander people**

Discrimination faced by Aboriginal and/or Torres Strait Islander people is a strong barrier to their secure employment.<sup>10</sup> Despite increases since the 1990s, Aboriginal and/or Torres Strait Islander people 'have had lower employment and economic participation rates compared to other Australians'.<sup>11</sup> Targeted recruitment strategies that address this discrimination are one solution to increasing secure employment for Aboriginal and/or Torres Strait Islander people. However, it is also important that workplaces, businesses, or employers are seen to be culturally appropriate and welcoming environments for Aboriginal and/or Torres Strait Islander people.

The private sector has seen substantial increases in Aboriginal and/or Torres Strait Islander employment.<sup>12</sup> In 2011, the ACT public service implemented a whole-of-government strategy to increase the number of Aboriginal and/or Torres Strait Islander employees.<sup>13</sup> However, despite the strategy the ACT public service did not meet its 2% target. In 2015 Aboriginal and/or Torres Strait Islander employees only made up 1.43% of all employees.<sup>14</sup> Further, despite an increase since 2011, in 2015 Aboriginal and/or Torres Strait Islander ACT public servants earned 8% less than the average ACT public service salary.<sup>15</sup>

Centre for Aboriginal Economic Policy Research (CAEPR) analysis on Indigenous businesses identifies that Indigenous-owned businesses are 'about 100 times more likely to employ an Indigenous Australian than a non-Indigenous business', and outcomes for Aboriginal and/or Torres Strait Islander employees at these businesses are 'almost always substantially better than in non-Indigenous businesses'.<sup>16</sup> Aboriginal and/or Torres Strait Islander people

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10 B Hunter, *Indigenous Employment and Businesses: Whose business is it to employ Indigenous workers?*, CAEPR, ANU, 2014, p. 17.

11 ACT Government, *ACT Closing the Gap Report 2015: Progress outcomes for Aboriginal and Torres Strait Islander people*, ACT Government, 2015, p. 73.

12 *ibid.*

13 *ibid.*

14 *ibid.*

15 *ibid.*, p. 2.

16 *ibid.*, p. 12.

may self-select and prefer look for jobs through friends and relatives to find employment in more culturally welcoming environments, such as Indigenous-owned businesses.<sup>17</sup>

## Carers

While many employers, particularly in the public sector, have flexible employment policies in place, many carer employees are unaware of their entitlements and don't feel comfortable to make a request for flexible employment to meet their caring responsibilities because of disapproval by colleagues or fear of ongoing employment discrimination.

Being an unpaid or informal carer for a family member or friend with a disability, chronic illness or who is frail aged has significant impact on a person's capacity to work. In 2015, for those aged 15 to 64 years, the labour force participation rates for primary carers (56.3%) and other carers (77.2%) was lower than that for non-carers (80.3%).<sup>18</sup> In 2012, of the males who were identified as primary carers, 27.1% worked on a full-time basis and 11.0% were employed part-time. For female primary carers, 14.6% were employed full-time and around a quarter employed part time (23.9%).<sup>19</sup>

## People from culturally and linguistically diverse backgrounds

People from culturally and linguistically diverse (CALD) backgrounds are particularly at risk of insecure work arrangements 'due to a range of intersectional and systemic barriers and challenges'.<sup>20</sup> Although there is a lack of disaggregated data on insecure workers from CALD backgrounds at the federal, state and territory levels, the Federation of Ethnic Communities' Councils of Australia (FECCA) notes that their consultations have highlighted the employment vulnerabilities facing migrant and refugee communities.<sup>21</sup> Refugee and humanitarian entrants, CALD women, older migrants, and CALD young people are particularly at risk.<sup>22</sup>

Specific barriers that may prevent people from CALD backgrounds from finding long-term, secure employment include: English language issues; a lack of systems knowledge; limited cultural knowledge of the Australian workplace; and discrimination and racism.<sup>23</sup> But secure employment for CALD people is

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17 *ibid*, p.18.

18 ABS, *Survey of Disability, Ageing and Caring: Summary of Findings, 2015*, cat. no. 4430.0, ABS, Canberra, 2016, accessed 30 June 2017, <<http://www.abs.gov.au/ausstats/abs@.nsf/mf/4430.0>>.

19 ABS, *Survey of Disability, Ageing and Caring: Summary of Findings, 2012*, cat. No. 4430.0, ABS, Canberra, 2013, accessed 30 June 2017, <<http://www.abs.gov.au/AUSSTATS/abs@.nsf/allprimarymainfeatures/92730165AAFFD1FDCA25804F000F5F19?opendocument>>.

20 Federation of Ethnic Communities' Councils of Australia, *Submission to Independent Inquiry into Insecure Work*, FECCA, Canberra, 2017, p. 3.

21 *ibid*.

22 *ibid*, pp. 3-4.

23 Federation of Ethnic Communities' Councils of Australia, *Settlement is a Life-Long Process*, FECCA, Canberra, 2011, pp. 13-15.

particularly important to facilitate successful settlement and integration into society.<sup>24</sup> Employment 'is one of the most effective and crucial means of empowering individuals'; it is particularly important for CALD people, who may not yet have a sense of belonging in their new communities.<sup>25</sup>

## People with disability

People with disability are especially vulnerable in the broader economic shifts we are seeing to a casualised, precarious and insecure workforce reliant on a narrower base in the service industry. The most recent OECD ranking placed Australia 21st out of 29 OECD countries for employment participation by people with disability.<sup>26</sup> We believe that there is much that the ACT might do to create a better context for employment outcomes for people with a disability. People with disability experience significantly higher rates of insecure employment, unemployment, and underemployment than people without a disability.<sup>27</sup> Employer discrimination and misconceptions about the needs of people with disability have been identified as major barriers to gaining secure employment and work that pays a living wage and offers basic entitlements.<sup>28</sup>

An ACT survey of women with disability found the following barriers to employment among respondents: '26% experienced insufficient opportunities; 24% experienced discrimination; and 10% felt there was insufficient support for employers'. Women with disability were overrepresented in part-time employment, although part-time employment was the most preferred category of employment – 39% of respondents said they would prefer part-time employment compared to 19% of respondents actually in part-time employment.<sup>29</sup>

## Women

Women's workforce participation has increased significantly over the past 20 years.<sup>30</sup> Statistics show that women are more likely to be employed in lower

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24 *ibid.*, p. 13.

25 *ibid.*

26 Organisation for Economic Co-operation and Development, *Sickness, Disability and Work: Breaking the Barriers - A Synthesis of Findings across OECD Countries*, OECD, 2010, p. 51.

27 ABS, *Disability and Labour Force Participation, 2012*, cat. no. 4433.0.55.006., ABS, Canberra, 2015, accessed 29 June 2017, <<http://www.abs.gov.au/ausstats%5Cabs@.nsf/0/C7C72D7706E9BED0CA257DE2000BDC60?OpenDocument>>.

28 National People with Disabilities and Carer Council, *Shut out: the experience of people with disabilities and their families in Australia*, National Disability Strategy consultation report, Australian Government, Canberra, 2009, accessed 29 June 2017, <[https://www.dss.gov.au/sites/default/files/documents/05\\_2012/nds\\_report.pdf](https://www.dss.gov.au/sites/default/files/documents/05_2012/nds_report.pdf)>.

29 Women With Disabilities ACT & Women's Centre for Health Matters, *Strong women, great city: a snapshot of findings from a survey of ACT women with disabilities*, WWDACT & WCHM, Canberra, 2012.

30 J Simon-Davies, *Women in the Australian workforce: a 2013 update*, Parliamentary Library, Canberra, 2013, accessed 30 June 2017, <[http://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/FlagPost/2013/March/Women\\_in\\_the\\_Australian\\_workforce\\_A\\_2013\\_update](http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/FlagPost/2013/March/Women_in_the_Australian_workforce_A_2013_update)>.

paying and insecure jobs.<sup>31</sup> In insecure work, women are generally not entitled to some of the protective measures including access to paid parental leave and flexible working arrangements that enable women to re-enter the workforce. This 'serves to increase the gender gap in pay equity, superannuation equity and in workplace equity'.<sup>32</sup>

Women are more likely than men to work part time, without paid leave entitlements, and to be underemployed.<sup>33</sup> Women on the whole are more likely to be in casual employment than men: in 2013, 26.7% of all female employees were in casual jobs compared to 21.2% for males.<sup>34</sup> This partly relates to gender segregation of the workforce and women's overrepresentation in feminised sectors including the childcare sector, aged care, health and community services – all sectors that are characterised by casual employment.

The need for flexible working hours to allow for caring responsibilities means that women are more likely to experience insecure work.<sup>35</sup> While on average women and men spend similar time on paid and unpaid work, women spend nearly twice as long as men on unpaid work such as domestic activities, childcare and caring for a person with a disability.<sup>36</sup> Recent research found that 72% of unpaid work in Australia is conducted by women.<sup>37</sup>

This has been seen to create an 'hour-glass ceiling' with a gendered relationship between working hours and mental health. In order to earn equal pay, women face a choice between working longer hours and compromising their mental health.<sup>38</sup> Workhour expectations are seen to 'embed a health trade-off that systematically disadvantages women and any adult who combine [sic] working with caregiving'.<sup>39</sup> A recent survey found that among employed women, the incidence of anxiety, stress and/or depression increased significantly as job

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- 31 Australian Human Rights Commission, *Gender segregation in the workplace and its impact on women's economic equality*, AHRC submission to the Finance and Administration Reference Committee, AHRC, 6 March 2017, accessed 30 June 2017, <[https://www.humanrights.gov.au/sites/default/files/AHRC\\_Submission\\_Inquiry\\_Gender\\_Segregation\\_Workplace2017.pdf](https://www.humanrights.gov.au/sites/default/files/AHRC_Submission_Inquiry_Gender_Segregation_Workplace2017.pdf)>.
- 32 Independent Inquiry into Insecure Work in Australia, op. cit., p. 21.
- 33 ABS, *Gender Indicators, Australia, August 2016*, cat. no. 4125.0, ABS, Canberra, 2016, accessed 29 June 2017, <<http://abs.gov.au/ausstats/abs@.nsf/0/E88D96DAE5F55E7ACA2578FD0017FB2D?Opendocument>>.
- 34 A Kryger, *Casual employment in Australia: a quick guide*, Parliamentary Library, Canberra, 20 January 2015, accessed 30 June 2017, <[http://www.aph.gov.au/%20About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/rp/rp1415/Quick\\_Guides/CasualEmploy](http://www.aph.gov.au/%20About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1415/Quick_Guides/CasualEmploy)>.
- 35 ibid.
- 36 ABS, *Gender Indicators, Australia, August 2016*, op. cit.
- 37 PwC, *Understanding the unpaid economy*, PwC, Sydney, March 2017, accessed 30 June 2017, <<http://www.pwc.com/australia-in-transition/publications/understanding-the-unpaid-economy-mar17.pdf>>.
- 38 H Dinh, L Strazdins & J Welsh, 'Hour-glass ceilings: work-hour thresholds, gendered health inequalities', *Social Science & Medicine*, vol. 176, 2017, pp. 42-51.
- 39 ibid., p. 50.

security decreased – increasing from 37% for women with ‘very good’ job security to 56% for women with ‘very poor’ job security.<sup>40</sup>

## Young people

Young people of working age in the ACT tend to have relatively high rates of casual employment, unemployment and underemployment. A high proportion of young people in the ACT work in ‘industries known to have a casualised workforce (such as retail/sales and hospitality/tourism) and to be impacted by economic fluctuations [which] suggests that job security is not a feature of young people’s employment experience’.<sup>41</sup> The proportion of young people employed in service industries has risen sharply over the past 30 years, especially in part-time positions.<sup>42</sup> Insecure work is seen to impact heavily on young people who tend to have ‘little or no work experience [and] are more likely than other groups to work in non-permanent jobs’.<sup>43</sup> According to the Brotherhood of St Laurence:

Precarious employment is hindering the capacity of many young people, especially those without qualifications and skills, to build satisfying and productive adult lives, as the pathways that were open to their parents appear to have stalled.<sup>44</sup>

Jennifer Rayner has observed this intergenerational shift resulting from a loss of ‘quality low-skill jobs’ as part of a job pathway.<sup>45</sup> Young people are consequently at risk of being stuck in a cycle of insecure work as they grow older – occupying casual jobs in insecure sectors, with fewer rights and conditions, they have fewer opportunities for skills development and career advancement.<sup>46</sup> Rayner has also identified a widening wage gap between younger and older Australians, meaning that young people tend to be both underemployed and underpaid.<sup>47</sup>

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40 Roy Morgan Research, *How worsening job security impacts mental health: gradually for women but as one sharp shock for men*, Article No. 6801, Roy Morgan Research, 9 May 2016, accessed 29 June 2017, <<http://www.roymorgan.com/findings/6801-job-security-and-mental-health-201605082337>>.

41 Youth Coalition of the ACT, *Rate Canberra 2016*, Youth Coalition of the ACT, Lyneham ACT, September 2016, p. 10, accessed 29 June 2017, <<https://youthcoalition.net/main/rate-canberra-2016.html>>.

42 Brotherhood of St Laurence, *Generation stalled: young, underemployed and living precariously in Australia*, Brotherhood of St Laurence, Fitzroy VIC, March 2017, p. 6, accessed 29 June 2017, <[http://library.bsl.org.au/jspui/bitstream/1/9409/1/BSL\\_Generation\\_stalled\\_young\\_underemployed\\_2017.pdf](http://library.bsl.org.au/jspui/bitstream/1/9409/1/BSL_Generation_stalled_young_underemployed_2017.pdf)>.

43 *ibid.*, p. 4.

44 *ibid.*, p. 2.

45 J Rayner, *Generation less: how Australia is cheating the young*, Redback Quarterly 9, Redback Quarterly, Carlton VIC, 2016, pp. 26-27.

46 *ibid.*, p. 27.

47 *ibid.*, pp. 21-22.

## **Building a better understanding of insecure work in the ACT**

ACTCOSS has identified a number of sources that can provide insights into the nature, extent and consequences of insecure work in the ACT. We recommend that as part of its inquiry into insecure work, the Standing Committee on Education, Employment and Youth Affairs should conduct or commission a comprehensive analysis of the available data. To support this work we have identified a range of key data sources that can help provide insights on this issue in the ACT.

ACTCOSS also notes the limitations of most datasets in providing insights into the experiences of those most impacted by insecure work in the ACT. Data may not be available either at the ACT level, or at a level which allows an exploration of the impacts of insecure work on different population groups (such as the people identified above as being most likely to be impacted by this issue). Statistics may also be limited in identifying the extent of insecure work across industries and occupations in the ACT.

ACTCOSS encourages the Standing Committee to seek further evidence of the extent, nature and consequences of insecure work that is not captured by the available statistics. Such evidence will include quantitative data and capture the experiences of people and families impacted by insecure work and the insights from those organisations that offer services to support them.

### **Recommendation 2**

The Standing Committee should undertake a comprehensive survey of data on disadvantage and insecure employment in the ACT, including insights from people with lived experience and those organisations that offer support services. Beyond this inquiry, the ACT Government should capitalise on the release of 2016 Census data to produce a detailed, up-to-date picture of disadvantage in the ACT. This should include an updated Socio-Economic Index for Individuals (SEIFI) for the ACT in order to reveal disadvantage that is hidden by area-level analysis.

### **Sources of statistics on insecure work in the ACT**

ACTCOSS has identified a number of sources of statistics on insecure work, some of which allow analysis at the ACT level, by population group (primarily by sex and/or age), or by industry or occupation.

**Table 1 Some identified sources of statistics on insecure work**

Source	Dataset/Publication	Web link
ABS	Labour Force, Australia, Detailed, Quarterly, May 2017	<a href="http://abs.gov.au/AUSSTATS/abs@.nsf/Lookup/6291.0.55.003Main+Features1May%202017?OpenDocument">http://abs.gov.au/AUSSTATS/abs@.nsf/Lookup/6291.0.55.003Main+Features1May%202017?OpenDocument</a>
ABS	Labour Force, Australia, May 2017	<a href="http://abs.gov.au/ausstats/abs@.nsf/PrimaryMainFeatures/6202.0?OpenDocument">http://abs.gov.au/ausstats/abs@.nsf/PrimaryMainFeatures/6202.0?OpenDocument</a>
ABS	Employee Earnings, Benefits and Trade Union Membership, Australia, August 2013	<a href="http://www.abs.gov.au/ausstats/abs@.nsf/0/99E5614783415356CA25713E000F92B1?Opendocument">http://www.abs.gov.au/ausstats/abs@.nsf/0/99E5614783415356CA25713E000F92B1?Opendocument</a>
ABS	Working Time Arrangements, Australia, November 2012	<a href="http://www.abs.gov.au/ausstats/abs@.nsf/0/5E904225E4B17C0ECA2568A900139378?Opendocument">http://www.abs.gov.au/ausstats/abs@.nsf/0/5E904225E4B17C0ECA2568A900139378?Opendocument</a>
ABS	Characteristics of Employment, Australia, August 2016	<a href="http://www.abs.gov.au/ausstats/abs@.nsf/0/A8CAED8E5F9FB2E1CA257F1F00044E8C?Opendocument">http://www.abs.gov.au/ausstats/abs@.nsf/0/A8CAED8E5F9FB2E1CA257F1F00044E8C?Opendocument</a>
ABS	Participation, Job Search and Mobility, Australia, February 2016	<a href="http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6226.0February%202016?OpenDocument">http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6226.0February%202016?OpenDocument</a>
ABS	Gender Indicators, Australia, August 2016	<a href="http://www.abs.gov.au/ausstats/abs@.nsf/mf/4125.0">http://www.abs.gov.au/ausstats/abs@.nsf/mf/4125.0</a>
ACTCOSS & Women's Centre for Health Matters	Creating opportunity or entrenching disadvantage? ACT labour market data, October 2014	<a href="http://www.actcoss.org.au/sites/default/files/public/publications/2014-report-creating-opportunity-or-entrenching-disadvantage-act-labour-market-data.pdf">http://www.actcoss.org.au/sites/default/files/public/publications/2014-report-creating-opportunity-or-entrenching-disadvantage-act-labour-market-data.pdf</a>
ACT Government	State of the Service Report 2015-16	<a href="http://www.cmd.act.gov.au/functions/publications/2015-16annualreport/state-of-service-report">http://www.cmd.act.gov.au/functions/publications/2015-16annualreport/state-of-service-report</a>
ACT Leave	ACT Long Service Leave Authority Industry Workforce Analysis – Community Sector, 2016	<a href="http://actleave.act.gov.au/files/community/CommunitySectorWorkforceReport2016.pdf">http://actleave.act.gov.au/files/community/CommunitySectorWorkforceReport2016.pdf</a>
Australian Public Service Commission	APS Statistical Bulletin: December 2016	<a href="http://www.apsc.gov.au/about-the-apsc/parliamentary/aps-statistical-bulletin">http://www.apsc.gov.au/about-the-apsc/parliamentary/aps-statistical-bulletin</a>

Source	Dataset/Publication	Web link
Australian Public Service Commission	APSC State of the Service Report 2015-16	<a href="http://www.apsc.gov.au/publications-and-media/current-publications/state-of-the-service">http://www.apsc.gov.au/publications-and-media/current-publications/state-of-the-service</a>
Housing and Homelessness Consortium, ACT	Housing affordability and the labour market in the ACT, February 2016	<a href="http://www.actcoss.org.au/sites/default/files/public/publications/2016-consortium-project-2-report-housing-affordability-and-the-labour-market-in-the-act.pdf">http://www.actcoss.org.au/sites/default/files/public/publications/2016-consortium-project-2-report-housing-affordability-and-the-labour-market-in-the-act.pdf</a>
Social Policy Research Centre, UNSW	The State of the Community Service Sector in the Australian Capital Territory, 2016	<a href="http://www.actcoss.org.au/sites/default/files/public/publications/2016-report-state-of-the-community-service-sector-act.pdf">http://www.actcoss.org.au/sites/default/files/public/publications/2016-report-state-of-the-community-service-sector-act.pdf</a>
Youth Coalition of the ACT	Rate Canberra 2016	<a href="https://youthcoalition.net/main/rate-canberra-2016.html">https://youthcoalition.net/main/rate-canberra-2016.html</a>

## Consequences of insecure work in the ACT

Insecure work may represent a choice for certain people at certain times, providing some value in terms of flexibility and diversity of employment opportunities, work experience, and income sources. Flexibility and security of employment need not be mutually exclusive. For many people, insecure work is not a choice or a preference in comparison to having secure employment with protection from employment termination, access to paid leave and other entitlements, and certainty and adequacy of hours and income.

Evidence from Australia and elsewhere has demonstrated how insecure work can have diverse negative consequences including financial stress, housing stress and instability, poor health and wellbeing, reduced career progression and professional development opportunities, and greater risk of unemployment. Irregular, inadequate and fluctuating hours of work and income can create multiple stresses for workers and their families, increasing the risk of poverty and disadvantage.

### Low incomes

Low-paid work has been found to share a number of the elements of insecure work:

Characteristics associated with low-paid jobs are little or no reward for training and skill, truncated career and pay structures, job insecurity, erratic or excessive time demands, unsocial hours, the absence of well-developed on-the-job training, a lack of recognition of prior learning, multiple jobs, a lack of employer investment in training and/or job demands that preclude

easy participation in training. These issues are compounded for casual workers.<sup>48</sup>

People on low income experience difficulties in covering essential costs, including making forced choices between food or heating, for example. Low income also makes it challenging for individuals and households to accumulate savings that may be needed to cover unexpected costs as well as possibly forgoing social activities for the worker or members of their family, particularly children. Lack of access to savings can lead to people borrowing from 'payday lenders'. For some, this becomes a cycle where they are trapped pay-to-pay in repeat borrowing often just to provide the basics. Insecure employment can create an environment where people are desperate and often highly stressed and do not necessarily understand the implications of such high interest and high fee loans.

The impact of low income is exacerbated where living costs are relatively high, as in the ACT. Over the past three years, ACTCOSS cost of living analysis has shown that living costs in the ACT have increased disproportionately for those households that can least afford it due to low-paid jobs and/or inadequate levels of income support.<sup>49</sup> The latest ACOSS report on poverty in Australia found that while 'the majority of people below the poverty line relied on social security as their main source of income (57.3%) ... a significant proportion received wages as their main income (32%)'.<sup>50</sup>

A key lever that the ACT Government has to address the cost of living for people on low incomes in the ACT is through its concessions program.

### Recommendation 3

The concessions scheme offered by the ACT Government be improved and expanded to provide access according to need, not age or source of income.

## Underemployment

Work is insecure if the hours offered are inadequate. Latest ABS statistics show that as at May 2017, the ACT had an underemployment rate of 6.2% (14,100 people) – a lower rate than the national underemployment rate of 8.6%. Combined with those who were unemployed, the ACT had an underutilisation rate of 9.7% – compared to the national rate of 14.0%.<sup>51</sup> ABS Labour Force and Job Vacancies statistics for February 2017 showed that there was only one job

48 B Pocock, *Low-paid workers, changing patterns of work and life, and participation in vocational education and training: a discussion starter*, National Centre for Vocational Education Research, Adelaide, 2009, available at <[http://library.bsl.org.au/jspui/bitstream/1/907/1/Low\\_Paid\\_Workers\\_changing\\_patterns\\_in\\_work\\_and\\_life.pdf](http://library.bsl.org.au/jspui/bitstream/1/907/1/Low_Paid_Workers_changing_patterns_in_work_and_life.pdf)>.

49 ACTCOSS, *ACT Cost of Living Report, 2017*, ACTCOSS, Canberra, 2017, available at <<http://www.actcoss.org.au/publications/advocacy-publications/act-cost-living-report-2017>>.

50 ACOSS, *Poverty in Australia 2016*, ACOSS, Strawberry Hills NSW, 2016, accessed 30 June 2017, <<http://www.acoss.org.au/wp-content/uploads/2016/10/Poverty-in-Australia-2016.pdf>>.

51 ABS, *Labour Force, Australia, May 2017*, cat. no. 6202.0, Table 23: Underutilised persons by State, Territory and Sex - Trend, Seasonally adjusted and Original, ABS, Canberra, 2017.

for every four people who are either locked out of paid work or who want more paid work.<sup>52</sup>

Unemployment and underemployment have both been identified as impacting significantly on young people aged 12-25 in the ACT – in combination these are represented by the underutilisation rate. A recent survey conducted by the Youth Coalition of the ACT found that 21% of respondents indicated that they were looking for work – almost double the youth unemployment rate in the ACT.<sup>53</sup> ABS Labour Force statistics for May 2017 reported a youth (15-24 years) unemployment rate of 10.5% for the ACT.<sup>54</sup> More than a third of respondents wanted to increase the number of hours they worked, suggesting that:

underemployment may be a significant problem for a large proportion of young people in Canberra, particularly those aged 18-21 who may be looking to move out of home and relying on an income to support themselves for the first time.<sup>55</sup>

Underemployment has come to be seen as an ‘entrenched feature of the youth labour market’.<sup>56</sup>

## Irregular and uncertain income

Work is insecure if income is irregular and/or uncertain from week to week. This can create financial vulnerability and stress as well as broader impacts on the worker and their family and social relationships. Insecure work and therefore irregular and uncertain income impacts peoples’ ability to manage budgets in a constructive manner and leads to them needing to spend more time trying to work out what, who, or which bill to juggle. This leaves people financially and emotionally drained and impacts on their relationships and ability to manage their lives.

## Irregular incomes do not align with the tax and welfare system

The lack of alignment between the tax and welfare system has been made clear in recent times through the Centrelink automated debt recovery system. People in insecure work may move from employment to income support or supplement part-time or casual work with income support. Contrary to its purpose, the

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52 ABS, *Labour Force, Australia, February 2017*, cat. no. 6202.0, ABS, Canberra, 2017; ABS, *Job Vacancies, Australia, February 2017*, cat. no. 6354.0, ABS, Canberra, 2017.

53 Youth Coalition of the ACT, *Rate Canberra 2016*, Youth Coalition of the ACT, Lyneham ACT, September 2016, accessed 29 June 2017, <<https://youthcoalition.net/main/rate-canberra-2016.html>>.

54 ABS, *Labour Force, Australia, May 2017*, cat. no. 6202.0, ABS, Canberra, June 2017, accessed 29 June 2017, <[http://www.ausstats.abs.gov.au/ausstats/meisubs.nsf/0/D4D41579F9548D10CA25813F008223F9/\\$File/62020\\_may\\_2017.pdf](http://www.ausstats.abs.gov.au/ausstats/meisubs.nsf/0/D4D41579F9548D10CA25813F008223F9/$File/62020_may_2017.pdf)>.

55 Youth Coalition of the ACT, op. cit., p. 33.

56 Brotherhood of St Laurence, *Generation stalled: young, underemployed and living precariously in Australia*, Brotherhood of St Laurence, Fitzroy VIC, March 2017, p. 1, accessed 29 June 2017, <[http://library.bsl.org.au/jspui/bitstream/1/9409/1/BSL\\_Generation\\_stalled\\_young\\_underemployed\\_2017.pdf](http://library.bsl.org.au/jspui/bitstream/1/9409/1/BSL_Generation_stalled_young_underemployed_2017.pdf)>.

income support system is seen to create disincentives for low-income earners to engage in short-term employment or to increase their hours of paid work. By increasing the allowable earnings threshold for people on allowances and pensions before withdrawal of benefits, the Australian Government would create more of an incentive for people to work more if the jobs/hours were available via the labour market – as noted above there is only one job for every four people in the ACT who are either locked out of the labour market or who want more paid work.<sup>57</sup>

ACTCOSS has recently noted that:

People in the ACT are [increasingly] likely to make valid claims to Centrelink for income support and to use these payments for the purpose for which they were intended – to bridge dry or low paid periods of employment and to provide support during periods of illness, disability, family crisis or while transitioning from school or university. These people are not gaming the system.

The reality in Canberra isn't a binary divide between people who are working and paying taxes and people who are on Centrelink benefits. People move in and out of transitory employment and use the safety net as it was intended during various transitions, cracks or points of change in their lives – such as moving from school to work, during university, between jobs, when entering the labour market after a period of caring and while managing a pattern of unstable jobs that characterise the 21st Century labour market.<sup>58</sup>

## Financial stress

Reduced employment or loss of employment are common indicators for those seeking assistance from financial counsellors. Insecure work impacts people's ability to service basic needs and also any debts they may have incurred. Inability to make sustainable arrangements with creditors can lead to court action and costs (to the individual and community), loss of any assets accumulated, and an inability to access credit in the future even when on a reasonable income. Exclusion from mainstream financial services can then become entrenched, compounding disadvantage for individuals and potentially for any children.

## Housing stress and insecurity

Recent analysis of housing affordability and the labour market has highlighted the relationship between insecure work and housing stress in the ACT. This

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57 ABS, *Labour Force, Australia, February 2017*, cat. no. 6202.0, ABS, Canberra, 2017; ABS, *Job Vacancies, Australia, February 2017*, cat. no. 6354.0, ABS, Canberra, 2017.

58 ACTCOSS, *Submission: Design, scope, cost-benefit analysis, contracts awarded and implementation associated with the Better Management of the Social Welfare System initiative*, ACTCOSS, Canberra, March 2017, accessed 30 June 2017, <<http://www.actcoss.org.au/publications/advocacy-publications/submission-better-management-social-welfare-system-initiative>>.

research found that casual and temporary, part-time workers were far more likely to face housing stress than full-time workers.<sup>59</sup>

Insecure work also increases the risk of homelessness. ACT financial counsellors have seen clients who have used 'payday lenders' and made repeat borrowings to pay their rent over several months, being desperate to avoid homelessness.

Housing insecurity is gendered, with older women being particularly vulnerable to housing insecurity and homelessness in the ACT.<sup>60</sup> This is due to the gender gap in retirement and savings that manifests as an 'accumulative poverty' acquired across a woman's lifecycle.<sup>61</sup> The Australian Human Rights Commission found that the average superannuation account balance in 2006 was \$35,520 for women, compared to \$69,050 for men.<sup>62</sup> With lower levels of superannuation and assets, older women are more vulnerable to later life shocks.

### **Insecure work is not a job pathway for vulnerable workers**

While insecure work may be a stepping stone into stable employment for some workers, for many people on low income and experiencing disadvantage, it does not provide a pathway into secure employment. Insecure work can instead lead to a cycle of insecure employment and unemployment which impedes any transition into secure employment.

### **Limited access to training and development**

Insecure work can lack incentives for employers to provide training and development opportunities which in turn can limit workers' future employment prospects and career development. Investment in workers should underpin quality service delivery regardless of the sector and regardless of the hours worked.

### **Negative health and wellbeing impacts**

Insecure work can create anxiety and stress, adversely affecting the mental and physical health of workers. It can also contribute to broader health problems.<sup>63</sup> Irregular or non-social work hours can have significant impacts on workers and

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59 Housing and Homelessness Policy Consortium, ACT, *Housing affordability and the labour market in the ACT*, Housing and Homelessness Policy Consortium, ACT, 2015.

60 ACTCOSS and YWCA Canberra, *Literature Review: older women and housing in the ACT*, unpublished, ACTCOSS and YWCA Canberra, Canberra, 2017.

61 Australian Human Rights Commission, *Gender segregation in the workplace and its impact on women's economic equality*, AHRC submission to the Finance and Administration Reference Committee, AHRC, 6 March 2017, accessed 30 June 2017, <[https://www.humanrights.gov.au/sites/default/files/AHRC\\_Submission\\_Inquiry\\_Gender\\_Segregation\\_Workplace2017.pdf](https://www.humanrights.gov.au/sites/default/files/AHRC_Submission_Inquiry_Gender_Segregation_Workplace2017.pdf)>.

62 *ibid.*

63 J Dixon, et. al., 'Flexible employment, flexible eating and health risks', *Critical Public Health*, vol. 24, no. 4, 2014, pp. 461-75.

their families as well as on their ability to participate in family and community life.

Recent survey research has found ‘a clear correlation between sense of job security and mental health: 30% of employees with “very good” or “good” job security suffered from one or more of these conditions, compared with 35% of those who rated security as “fair”, 41% of those who rated it as “poor”, and 46% of employees with “very poor” job security’.<sup>64</sup>

Engagement in meaningful work that pays a living wage and offers basic entitlements can contribute towards self-esteem, skills and independence and is one of a number of ways we contribute to society. In this light, workforce participation can be understood as an important component of ‘social citizenship’.<sup>65</sup> This is important for the successful settlement of newly-arrived migrants and refugees,<sup>66</sup> and young people, for whom employment and the economic independence it provides, has been characterised as one of the transitions into adulthood.

Insecure work, whether casual or contractual, does not necessarily deliver the same benefits that secure employment can. When work is relevant, meaningful and well matched to an individual’s skillset, it can contribute to positive mental health and wellbeing. Conversely, insecure work has been associated with the violation of rights and exploitation.<sup>67</sup> A recent survey undertaken by Unions ACT found that 70% of those 15-25 year olds surveyed reported having been bullied or harassed at work – a high number of female respondents reported unsafe work practices or harassment of a sexual nature.<sup>68</sup>

## Barriers to gaining secure employment

While some people may engage in insecure work by choice, many enter insecure work arrangements due to lack of other employment options. Insecure employment may be the only viable option available due to either the requirements of the worker (e.g. flexibility) or of employers (e.g. education, skills

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64 Roy Morgan Research, *How worsening job security impacts mental health: gradually for women but as one sharp shock for men*, Finding No. 6801, Roy Morgan Research, 9 May 2016, accessed 29 June 2017, <<http://www.roymorgan.com/findings/6801-job-security-and-mental-health-201605082337>>.

65 L Buckmaster & M Thomas, *Social inclusion and social citizenship towards a truly inclusive society*, Research Paper No. 08 2009-10, Social Policy Section, Parliamentary Library, Canberra, 2009, accessed 30 June 2017, <[http://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/rp/rp0910/10rp08](http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp0910/10rp08)>.

66 Federation of Ethnic Communities’ Councils of Australia, *Settlement is a Life-Long Process*, 2011, p. 13.

67 P McDonald, J Bailey, D Oliver & B Pini, ‘Compounding vulnerability: Young workers’ employment concerns and the anticipated impact of the Work Choices Act’, *Australian Bulletin of Labour*, vol. 33, no. 1, pp. 60-88, 2007, accessed 30 June 2017, <[https://research-repository.griffith.edu.au/bitstream/handle/10072/18465/49636\\_1.pdf%3bsequence=1](https://research-repository.griffith.edu.au/bitstream/handle/10072/18465/49636_1.pdf%3bsequence=1)>.

68 Unions ACT, *Safety in ACT workplaces for young workers: report executive summary*, Unions ACT, Canberra, 2017, accessed 30 June 2017, <<http://www.unionsact.org.au/wp-content/uploads/2017/05/2017-05-young-worker-safety-report-web.pdf>>.

and/or work experience), as well as discrimination by employers. Other barriers such as lack of affordable childcare and adequate affordable transport can also have a significant impact.

### **Lack of workplace flexibility in permanent work**

The workforce participation rates of women, single parents, primary carers, people with disability, people with mental illness, and older people are often affected by the availability of flexible work arrangements.

Work that pays a living wage and offers basic entitlements and meaningful employment 'is essential not only to an individual's economic security but also their physical and mental health, personal wellbeing and sense of identity. Unfortunately, too few people with disabilities appear able to access meaningful employment'.<sup>69</sup>

Although there is more awareness across communities about the need for inclusive workplaces, in reality this does not translate into action and effectively the above groups are either excluded or nominally included provided they do not require too much flexibility in either hours or tasks. With many more people with disability being placed on Newstart rather than the Disability Support Pension, this further exacerbates their long term poverty and isolation.

### **Low educational attainment or work experience**

People with low educational attainment, few skills, or limited work experience are more likely to experience insecure work.

Young people find it harder to transition from education into full-time work. While there is some projected growth in higher skilled occupations, there are increasingly fewer low-skilled job opportunities.<sup>70</sup> This reflects a broader trend of low-skilled jobs losing out to automation and mechanisation of the workforce. In order for young people to compete in the current and future labour market, education and employment strategies need to be geared towards building these skills of the future.

The *Equity in Education for the ACT* campaign by the Youth Coalition of the ACT and ACTCOSS highlights the importance of addressing educational inequality as part of the response to tackling insecure employment in the ACT. Facilitating access to quality training options will also help develop employees' skills and form part of this response, ensuring the VET system is accessible to those in our community who may face barriers.

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69 National People with Disabilities and Carer Council, *Shut out: the experience of people with disabilities and their families in Australia*, National Disability Strategy consultation report, Australian Government, Canberra, 2009, accessed, 29 June 2017, <[https://www.dss.gov.au/sites/default/files/documents/05\\_2012/nds\\_report.pdf](https://www.dss.gov.au/sites/default/files/documents/05_2012/nds_report.pdf)>.

70 I Neville, *Canberra Labour Market*, Labour Market Research and Analysis Branch, Department of Employment, Canberra, 2014, slide 12, accessed 30 June 2017, <[https://docs.employment.gov.au/system/files/doc/other/canberra\\_cdaa\\_2014\\_final.pdf](https://docs.employment.gov.au/system/files/doc/other/canberra_cdaa_2014_final.pdf)>.

Mature age workers are more likely to lack formal qualifications which can limit their ability to obtain or maintain secure employment.

Employees from culturally and linguistically diverse (CALD) communities, particularly refugees and asylum seekers, are also at risk of being in insecure and low-paid work. CALD workers face a range of barriers which can make it more difficult to gain secure employment including low English literacy, lack of recognition of overseas qualifications and skills, limited work experience, discrimination and limited knowledge of their rights and entitlements in Australian workplaces.<sup>71</sup>

#### **Recommendation 4**

Pursue equity in education in the ACT as a critical foundation for inclusive economic growth and diversification and to address barriers to gaining secure employment for those transitioning from education.

#### **Recommendation 5**

Further strengthen alignment between the Vocational Education and Training (VET) system and local employment opportunities, focusing on making the system inclusive and accessible for those experiencing barriers to gaining secure employment.

### **Persistent barriers for people with disability and carers under NDIS**

With the introduction of the National Disability Insurance Scheme (NDIS) in the ACT, growth and diversity in ACT employment was anticipated. Modelling forecast the impact on ACT Gross State Product (GSP) when the scheme is fully implemented will be a direct employment growth for between 500-800 people with disability on a full-time equivalent (FTE) basis, and approximately 660 FTE carers returning to the workforce as a result of NDIS supports for their care recipient.<sup>72</sup> The modelling also forecast a GSP flow on impact for the ACT of \$300-367 million annually in 2015 dollars when the NDIS is fully implemented. These gains were additional to any employment growth created by increased disability funding in the ACT because of the NDIS.

These forecasts are still to be proven. Research and feedback from family carers indicates that few carers have been able to enter the workforce or increase their hours of employment, or commence education because of the NDIS. Employment barriers include: lack of flexible employment opportunities to accommodate their caring role; lack of relevant work experience or skills to meet requirements of current positions; difficulty accessing training because of

71 Federation of Ethnic Communities' Council of Australia, *Submission to the Independent Inquiry into Insecure Work in Australia*, FECCA, Canberra, 2012, p. 9.

72 B Long, *Economic Benefits of the NDIS in the ACT for NDS*, Every Australian Counts and Centre for Applied Disability Research, Canberra, 2016.

caring responsibilities; the increased demand of managing the NDIS participant plan or liaising with the National Disability Insurance Agency (NDIA) and service providers; and insufficient replacement care included in NDIS participants' funded support plan. Recent research undertaken by Carers ACT on the impact of the NDIS and carers in 2016 found that an NDIS participant's funded support plan did not provide sufficient replacement care for the majority of carer respondents.<sup>73</sup>

The 2016 *Willing to Work* inquiry report from the Australian Human Rights Commission recognised numerous systemic barriers to employment for people with disability, including: lack of practical assistance for employers to support employment of people with disability; negative employer and community attitudes; poor transition to work initiatives for school leavers; negative outcomes from disability employment services which fail to respond to individual needs or deliver long term job retention; segregation of people with disability in 'sheltered workshops' (Australian Disability Enterprises); and financial disincentives of entering the workforce such as prohibitive accessible transport costs.<sup>74</sup>

## Insecure work in the ACT community service sector

Research commissioned by ACTCOSS has identified insecure work as a key barrier to the recruitment and retention of staff in the ACT community service organisations – most of which are from the not-for-profit, community sector.

The 2016 ACT State of the Community Service Sector survey found that across all community service organisations, 66.7% of staff were permanent; 8.1% were fixed term; and 25.2% were casual. Of these staff 41.9% were employed full time, with 58.1% employed part time.<sup>75</sup>

An analysis of the Australian Charities and Not-for-profits Commission (ACNC) 2015 Annual Information Statement Data undertaken by ACTCOSS provides similar findings. Out of a total of just over 10,000 paid staff employed by community sector charities that are based and operate in the ACT, 28.2% were employed on a casual basis. Of non-casual staff, 41.2% were employed full time, and 30.6 were employed part-time.<sup>76</sup> The difference between the figure for part-time staff between the two sources (58.1% and 30.6%) may indicate that the majority of casual staff are employed on a part-time basis.

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73 C Sheen, L Kelly & S Vueti, *Is the National Disability Insurance Scheme supporting unpaid carers of people with a disability? A study on the impact of the NDIS on family and friends who care for people with a disability in the ACT*, Carers ACT, Canberra, 2017.

74 Australian Human Rights Commission, *Willing to Work: National Inquiry into Employment Discrimination Against Older Australians and Australians with Disability*, AHRC, 2016.

75 N Cortis & M Blaxland, *The State of the Community Service Sector in the Australian Capital Territory, 2016 (SPRC Report 19/16)*, Social Policy Research Centre, UNSW Australia, Sydney, 2016, p. 27, <<http://www.actcoss.org.au/publications/advocacy-publications/state-community-service-sector-act-2016-report>>.

76 Own analysis using ACNC, *ACNC 2015 Annual Information Statement Data*, ACNC, Melbourne, last updated 20 June 2017, viewed 20 June 2017, <<http://www.data.gov.au/dataset/acnc2015ais>>. ACT community sector charities and staff numbers were identified using the methodology outlined in VCOSS, *Strengthening the state: a snapshot of Victoria's community sector charities*, VCOSS, Melbourne, 2015, pp. 6-9.

Analysis of ACT Leave data from 2015 for the community sector industry provides a significantly higher estimate of part-time staff of 85% (i.e. approximately 18,425 employees registered with the Community Sector Industry Long Service Leave Portable Scheme).<sup>77</sup>

The ACT State of the Sector survey found that, on average, 77% of employees in organisations were female, with more than two in three community service organisations in the ACT being led by women.<sup>78</sup> Similarly, the ACT Leave community sector industry workforce analysis found that in 2015, 76% of registered employees were female.<sup>79</sup> The survey results highlighted the diversity of the community service workforce in terms of the number of organisations employing at least one paid staff member from a CALD background (72.5%), with live experience of disadvantage and/or as a service user (70.6%), with a disability (40.8%), or from an Aboriginal and/or Torres Strait Islander background (32.3%).<sup>80</sup> ACT Leave's Workforce Industry Analysis for the community sector estimated that 13% of registered employees were from a CALD background.<sup>81</sup>

The State of the Community Service Sector in the Australian Capital Territory, 2016 report found that around one third (31.3%) of organisations saw the security of work as making it more difficult to recruit and retain staff.<sup>82</sup> More than half (54.3%) viewed salaries as a barrier to recruitment and retention.<sup>83</sup> Working hours within the sector were more likely to be seen as helping to recruit and retain workers (44.4%).<sup>84</sup> Over two thirds of organisations (68.7%) reported having had difficulty attracting and retaining suitable staff – with much higher rates for providers of Disability, Ageing and Carer services (86.2%) and Child, Youth and Family services (73.1%).<sup>85</sup> The research also found that it was more difficult for organisations to attract and retain professional and practitioner staff.

Staff turnover and shortages were seen to place pressures on existing staff which potentially was compounded by those remaining staff needing recreation or sick leave as a result of overwork. A number of organisations were concerned about the impact this had on service users.<sup>86</sup>

Insecure work within the sector was seen to be impacted on by government funding arrangements. Organisations identified 'the need for greater funding and funding security due to difficulties associated with the cost of employing

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77 Piazza Research, *ACT Leave Industry Workforce Analysis – Community Sector*, ACT Long Service Leave Authority, Canberra, 2016, accessed 29 June 2017, <<http://actleave.act.gov.au/files/community/CommunitySectorWorkforceReport2016.pdf>>.

78 N Cortis & M Blaxland, *The State of the Community Service Sector in the Australian Capital Territory, 2016 (SPRC Report 19/16)*, Social Policy Research Centre, UNSW Australia, Sydney, 2016, p. 28, <<http://www.actcoss.org.au/publications/advocacy-publications/state-community-service-sector-act-2016-report>>.

79 Piazza Research, op. cit., p. 8.

80 N Cortis & M Blaxland, op. cit., pp. 5 & 30.

81 Piazza Research, op. cit., p. 11.

82 N Cortis & M Blaxland, op. cit., p. 37.

83 *ibid.*, p. 35.

84 *ibid.*, p. 37.

85 *ibid.*, p. 36.

86 *ibid.*, pp. 38-40.

staff under good working conditions'.<sup>87</sup> Almost half of organisations (49.6%) did not see ACT Government funding as adequate to ensure staff were paid at rates appropriate to their skills, compared to 19.1% of organisations that did see this funding as adequate (the remainder being neutral or not sure).<sup>88</sup> Comments included:

Being funded sufficiently in order to pay competitive wages. We have lost about three staff over the last year to ACT Government agencies who are able to pay better. (Health support service)

Longer term funding, but perhaps more importantly when a funding cycle or period is coming to an end, having clear direction from funders well in advance - staff are often left anxious for months awaiting decisions re continuance of programs, and struggle with loyalty and hope in the face of the potential need to secure other work. (Peak body).<sup>89</sup>

This also was seen to have a significant impact in terms of training and development, with just over half (51.1%) of organisations either not have having enough funding to cover positions while staff attend training at all (36.6%), or only a little of the time (14.5%).<sup>90</sup> More broadly, a large proportion (45.7%) of organisations found that ACT Government funding did not support staff training and development, compared with 17.1% who reported that it did (with 37.7% being neutral or not sure).<sup>91</sup>

## **ACT Government's role: procurement, workforce development, economic management, and employment**

### **ACT Government procurement**

The report of the Independent Inquiry into Insecure Work in Australia noted the particular challenges faced by the community sector. It noted that:

As governments have increasingly outsourced the provision of services to community organisations, the drive for government savings has left the sector under-funded to sustain the support they provide ... Consequently, these funding and contract duration arrangements make it difficult to attract and retain the workforce the community sector requires and to deliver effective services.<sup>92</sup>

The report notes the persistent failure of governments to adequately index funding levels, failing to address wage and utility costs.<sup>93</sup> It also notes the

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87 *ibid.*, p. 38.

88 *ibid.*, p. 60.

89 *ibid.*, p. 38.

90 *ibid.*, p. 33.

91 *ibid.*, p. 60.

92 Independent Inquiry into Insecure Work in Australia, *Lives on hold: unlocking the potential of Australia's workforce*, ACTU, Melbourne, 2012, pp. 55 & 58, <[https://www.actu.org.au/media/349417/lives\\_on\\_hold.pdf](https://www.actu.org.au/media/349417/lives_on_hold.pdf)>.

93 *ibid.*, p. 55.

impact of short-term funding as ‘a contributing factor to the growth of insecure employment’.<sup>94</sup>

The resulting movement or churn of staff between different community sector organisations was raised as a concern in relation to the accrual of long service leave. ACT Leave’s workforce industry analysis found that over a quarter of registered employees (26% or 5,600) had been reported as having changed employer within the community sector industry during their service history (within a maximum period of five years, 2010-2015).<sup>95</sup> The ACT Government’s introduction of the ACT Portable Long Service Leave Scheme for the community sector industry on 1 July 2010 (expanded to cover Aged Care workers on 1 July 2016) was a positive move to improve work conditions in the community sector. However, it does not address the underlying issues that lead to insecure work in the sector and for those staff who do not have access to such entitlements. We note that the *Long Service Leave (Portable Schemes) ACT 2009* includes casual employees and contractors as workers.

The benefits of a stable workforce in the community services industry also extend to service users. Insecure work in the sector can interrupt continuity, quality and sustainability of services, thereby risking the credibility of the system. Deskilling and casualisation, qualities of insecure work, can compromise service provision and long term capacity to meet demand. For the sector to adequately meet the needs of service users, the industry must uphold both its perceived and actual reputation. For service users who rely on the work of the community services industry, it is important to address the issue of insecure work in the sector.

The prevalence of insecure work within the community services industry should be addressed as part of ACT Government procurement reform in consultation with the community sector. This needs to be a central part of the implementation of the ACT Community Services Industry Strategy 2016-2026, including its focus on the workforce.

### **Recommendation 6**

Take action to reduce the prevalence of insecure work within the community services sector as part of ACT Government procurement reform in consultation with the community sector. This needs to be a central part of the implementation of the ACT Community Services Industry Strategy 2016-2026. This should include a review of the adequacy of indexation for government funding of community services.

## **Workforce development**

According to regional projections of employment growth by industry, the health care and social assistance industry is expected to have the highest rate of growth in the ACT to 2020. This workforce is expected to grow by 16.6% from

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<sup>94</sup> *ibid.*

<sup>95</sup> Piazza Research, *op. cit.*, pp. 30-31.

2015 to 2020 against a projected growth rate of 7.2% for the total ACT workforce.<sup>96</sup> By 2020, it is expected that employment in the health care and social assistance industry will account for 11.7% of the total ACT workforce, contributing a quarter (24.6%) of new jobs in the ACT over the five year period and maintaining its position as the second largest employer behind the public administration and safety industry (which is expected to maintain its current level of just under 30% of the ACT workforce between 2015 and 2020).<sup>97</sup>

Workforce development and planning is a focus of the first stage of implementing the ACT Community Services Industry Strategy 2016-2026. ACTCOSS is working with the Joint Community Government Reference Group (JCGRG) to progress this work. The community services industry needs to be included within ACT Government workforce development programs and policies. We note that significant work is currently underway in relation to the disability sector workforce in the ACT, but that work is also needed across the broader community service sector. The community service industry has identified priorities for action to inform this industry workforce plan. We seek a commitment of funding by ACT Government to ensure that the development and implementation of the plan meets the needs of the ACT community, the industry and its workers.

## Growing and diversifying the ACT economy

As well as being a significant contributor to employment growth in the ACT, the community services industry is also a significant part of the broader ACT economy. The latest ABS Gross State Product (GSP) figures show that the health care and social assistance industry grew by 3.5% in the ACT in 2015-16, accounting for 6.4% of our GSP – a significantly higher contribution than construction (4.6%), retail (3.1%), accommodation and food services (3.1%).<sup>98</sup>

Through increased investment in our distinctive and diverse community sector, we believe that the ACT Government can simultaneously address its social and economic objectives – namely social inclusion and economic diversification, or what we might call the inclusive diversification of the economy.<sup>99</sup> Drawing the line of investment between the Business Development Strategy and the Community Services Industry Strategy 2016-2026 should be a priority task for the ACT Government. Inclusive growth and diversification of the economy would necessarily and more broadly include efforts to ensure that work that pays a living wage and offers basic entitlements was guaranteed across all sectors of the ACT economy.

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96 Department of Employment, *2016 Employment Projections*, Regional projections – interactive tool, Department of Employment, Canberra, 2016, accessed 30 June 2017, <<http://lmip.gov.au/default.aspx?LMIP/EmploymentProjections>>.

97 *ibid.*

98 CMTEDD, *Gross State Product – 2015-16*, ABS Cat. No. 5220.0, Brief, CMTEDD, Canberra, 18 November 2016, accessed 6 June 2017, <[http://apps.treasury.act.gov.au/\\_\\_data/assets/pdf\\_file/0010/399979/GSP.pdf/\\_recache](http://apps.treasury.act.gov.au/__data/assets/pdf_file/0010/399979/GSP.pdf/_recache)>.

99 G Buchanan, 'Economic diversification, social inclusion and the community sector', *ACTCOSS Update Journal*, Issue 79, Autumn 2017, pp. 4-7, accessed 30 June 2017, <<http://www.actcoss.org.au/publications/quarterly-journal-update/update-issue-79-autumn-2017-social-inclusion-diversifying>>.

The increasing casualisation and precariousness of work in the higher education sector is also of concern to the ACT economy. Increased insecurity in Australian universities is accompanied by funding cuts, rising student numbers, and increased student to staff ratios.<sup>100</sup> The casual academic workforce is diverse, and therefore the insecurity extends across a range of ages and positions. The National Tertiary Education Industry Union notes that over 80% of surveyed casual academic staff wanted ongoing employment.<sup>101</sup> Sessional academic employment is often either permanent casualisation or short-term work – not ‘a kind of apprenticeship that leads to tenure’.<sup>102</sup> The ACT Government has shown interest in developing ‘the higher education sector as an area in which [the ACT has] a competitive advantage’, investing in the university sector as a major part of the Territory’s economy.<sup>103</sup> But in pursuing Canberra as a ‘university city’, the government should consider that insecure employment in universities negatively impacts the workers, the sector, and the community, and the quality of education. Casual employees experience financial insecurity or uncertainty, further disadvantaging the ACT economy.<sup>104</sup>

### **Recommendation 7**

Access to secure employment and work that pays a living wage and offers basic entitlements should be a central element of ACT Government’s Business Development Strategy and other economic growth and diversification initiatives. These should focus on industries’ potential to provide secure employment and work that pays a living wage and offers basic entitlements.

### **Recommendation 8**

Expand social procurement for ACT Government contracts to create employment opportunities for people experiencing disadvantage and barriers to gaining secure employment.

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100 Campbell et al, *Casually Appointed, Permanently Exploited*, National Tertiary Education Industry Union, 2008, p. 2.

101 *ibid.*, p. 3

102 *ibid.*, p. 9

103 ACT Government, *Govt and UC strike deal to secure CBR’s place as a university city*, ACT Government, Canberra, 2015, accessed 7 July 2017, <[http://www.cmd.act.gov.au/open\\_government/inform/act\\_government\\_media\\_releases/barr/2015/govt-and-uc-strike-deal-to-secure-cbrs-place-as-a-university-city](http://www.cmd.act.gov.au/open_government/inform/act_government_media_releases/barr/2015/govt-and-uc-strike-deal-to-secure-cbrs-place-as-a-university-city)>

104 National Tertiary Education Industry Union, *NTEU Submission on the Fair Work Amendment (Tackling Job Insecurity) Bill 2012*, National Tertiary Education Industry Union, Melbourne, February 2013, accessed 6 July 2017, <<http://www.nteu.org.au/library/view/id/3413>>

### **Recommendation 9**

Encourage ACT employers to adopt secure, flexible employment practices that support workers to manage family and caring responsibilities, study, and other life commitments. This would include incorporating provisions into ACT Government procurement policy and practice.

### **Recommendation 10**

Build competence and resource ongoing development of tools that support increased capability of employers to value and improve workplace diversity, especially in industries that are growing in the ACT (education, construction, health and community services).

## **ACT Government employment**

As a major employer within the ACT, the ACT Government has a key role to play in terms of its own employment practices, providing an example of best practice, and influencing the practices of private sector employers. Helping vulnerable people gain more stable employment requires a holistic response, including tackling socioeconomic disadvantage and the barriers people face to secure employment.

ACTCOSS recently made a submission to the Standing Committee on Health, Ageing and Community Services' inquiry into the employment of people with disabilities. The recommendations made in that submission are also relevant to this inquiry. In that submission we argued that:

The ACT Public Sector needs targets, identified positions, pooled support funds, work on retention, flexible working hours and more entry level positions especially for people with intellectual and cognitive disability. Government should walk its talk including paid internships within the ACT Legislative Assembly and fostering people with disability in leadership positions.<sup>105</sup>

We recommend that the ACT Government identify strategies and pathways that would best support those people facing barriers to gaining and maintaining secure employment.

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105 ACTCOSS, *Submission to the Inquiry into the employment of people with disabilities*, ACT Legislative Assembly Standing Committee on Health, Ageing and Community Services, ACTCOSS, Canberra, May 2017, accessed 30 June 2017, <<http://www.actcoss.org.au/publications/advocacy-publications/submission-inquiry-employment-people-disabilities>>.

We note that the Youth Coalition of the ACT had made a number of recommendations around job creation and employment pathways for young Canberrans, including a specific initiative to guarantee ACT Government employment to young people who are transitioning from care.<sup>106</sup>

### **Recommendation 11**

The ACT Government should establish employment targets for equity groups such as people with disability in the ACT public service and encourage business and community organisations to adopt targets.

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106 Youth Coalition of the ACT, *Submission to the ACT Budget 2017-18*, Youth Coalition of the ACT, Canberra, 2016, accessed 30 June 2017, <<https://members.youthcoalition.net/sites/default/files/documents/ACT%20Budget%20Submission.pdf>>.