



Inquiry into Job Security

Submission to the Senate Select Committee on Job Security

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Statement of Recognition

The Salvation Army Australia acknowledges the Traditional Owners of the lands on which we live and work.

We pay our respect to Elders and acknowledge their continuing relationship to this land and the ongoing living cultures of Aboriginal and Torres Strait Islander peoples across Australia. We also acknowledge future aspirations of all First Nations peoples.

Through respectful relationships we will work for the mutual flourishing of Indigenous and non-Indigenous Australians.

We commit ourselves in prayer and practice to this land of Australia and its people, seeking reconciliation, unity and equity.

Recommendations

The Salvation Army requests the Committee make the following recommendations:

1. The Australian Government should work with employers and worker representatives to identify new ways to create decent and secure work opportunities for people experiencing barriers to employment.
2. The Australian Government should ensure the design and implementation of the New Employment Services model supports an increase in sustainable, ongoing employment outcomes for disadvantaged participants and does not create conditions which encourage casual or precarious employment models.
3. The Australian Government should work with employers, youth service providers and youth representatives to trial new, evidence-based strategies that support disadvantaged youth obtain employment.
4. The Australian Government should ensure casual workers and those employed in the gig and on-demand economy enjoy equal protection under labour laws as permanent employees, by:
 - a. Amending the *Fair Work Act 2008* (Cth) to ensure casual employees have a guaranteed right to arbitration where their employer refuses to convert them to permanent employment after 12 months without reasonable grounds;
 - b. Introducing a Commonwealth offence for deliberate, systemic wage theft that is consistent with the existing standards set in Victorian and Queensland legislation;
 - c. Reintroducing legislation to make advertising illegal rates of pay unlawful;
 - d. Acting on the recommendation made by the Black Market Economy Taskforce Final Report to “[adopt] a reporting regime for sharing or gig economy platforms [where] Operators of designated sharing (‘gig’) economy websites should be required to report payments made to their users to the ATO, DSS and other government agencies as appropriate”; and
 - e. Acting on the recommendation made by the Migrant Worker Taskforce Final Report to create a National Labour Hire Registration Scheme.

Introduction

The Salvation Army Australia welcomes the opportunity to make this submission to the Select Committee's Inquiry into Job Security.

The Salvation Army is one of Australia's most experienced community service providers. Our services are broad and this submission provides insights into the impacts of job insecurity on some of the most disadvantaged and marginalised individuals in our society. We have drawn heavily on the extensive experiences of staff and service participants from six key programs provided by The Salvation Army:

- **Employment Plus (EPlus)** – delivers on our aim of helping people to find work that supports their wellbeing and benefits the community. EPlus provides job seekers, particularly people experiencing complex barriers to employment, with specialised training, work experience, allied health support and connection with local employers to help them secure meaningful employment.
- **Doorways** – provides emergency relief assistance for those in crisis and helps them meet immediate needs, from unexpected bills to food vouchers. Doorways also works closely with other Salvation Army programs to assist individuals to regain control of their finances. We provide early education and prevention strategies for people who may be at risk of financial hardship.
- **Moneycare** – The Salvation Army's financial wellbeing and capability service has been operating for over 30 years and has helped thousands of people experiencing, or at risk of experiencing, financial and social exclusion. Services are free and confidential and include: financial counselling, financial capability support, financial literacy and capability workshops and microfinance.
- **Family and Domestic Violence (FDV) Services** – provide support around Australia to women and women with children impacted by FDV, including: refuge, children's and parenting services, counselling, men's programs, accommodation and advice.
- **Youth Services** – offer an integrated suite of targeted programs engaging with young people across Australia on their journey to independence. Our programs create intentional avenues for young people to explore opportunities, build support networks, and access, participate and contribute to their communities. These services include: housing and homelessness, driver training, education, employment and training, social and community activities, specialist therapeutic responses and youth justice programs.
- **Homelessness Services** – The Salvation Army is the largest provider of homelessness services in Australia. Services are free, voluntary, accredited and include: accommodation, case management services, advocacy, limited financial assistance, counselling and meals, as well as connection and referral to other specialist services for adults and families.

Australia has an unprecedented opportunity to re-imagine work as more than an economic driver, but also as strategy to reduce inequality, improve mental and emotional health, and pave pathways out of interpersonal violence. The only way to do this is to create a labour market that reflects the diverse needs of our population. Where the private sector is not able to do this alone, there is a role for government to partner with employers to encourage the creation of jobs for those who need extra support.

A person cannot be self-sufficient if they do not have predictable and ongoing income. People trapped in generational poverty cannot begin to extend the life planning time horizon if they must live pay cheque to pay cheque; nor can they muster the self-worth to persevere through adversity if they do not have the prospect of a job where they feel invested in and valued. If employees feel dispensable, they are less productive and less invested in the success of the business in which they are employed. Australia should and can aim higher. Doing so would certainly be in the best interest of workers, employers and the national good.

Fundamentally, it is time to change the conversation about welfare-to-work. It is time to try new strategies to provide genuine opportunities for people experiencing the consequences of generational unemployment and poverty to gain self-respect, self-worth, experience and confidence. This will have a positive on-flow effect for social well-being and future employment prospects. It is time to redesign the labour market so there are opportunities, not just for everyone to work, but also to succeed.

The submission will address the following terms of reference:

- a. the extent and nature of insecure or precarious employment in Australia;
- b. the risks of insecure or precarious work exposed or exacerbated by the COVID-19 crisis;
- c. workplace and consumer trends and the associated impact on employment arrangements in sectors of the economy including the 'gig' and 'on-demand' economy; and
- d. the aspirations of Australians including income and housing security, and dignity in retirement.

We would welcome an opportunity to appear before the Committee to discuss the recommendations made in this submission.

The extent and nature of insecure or precarious employment in Australia

As one of Australia's largest social service providers, The Salvation Army assists young people, adults, temporary migrants and citizens who are experiencing various types of personal difficulties in their lives. At the heart of solutions to any of these difficulties is creating or restoring a sense of self-worth, dignity and security. Importantly, these things are not achieved strictly through counselling or case management. Decent, fair and secure work is often the most powerful tool to recover or establish a sense of control and self-confidence in a person's life and break the cycle of intergenerational disadvantage.

In our experience, the idea that anyone can get a job or that any job is better than no job is not realistic. Young people who are recovering from experiences of complex childhood trauma require support – not just from charities, but also from employers – through flexible, secure, age-appropriate employment opportunities. Women who are desperate to leave a violent relationship require flexibility, not through the nature of their work contracts, but through family-friendly policies at work. People returning to employment after illness, including mental ill-health, thrive under certainty of employment in workplaces with adaptable policies to maximise their recovery.

The policy preoccupation with 'getting people into work' often misses the primary question: Are we shaping a labour market that adequately caters to the needs of a diverse society so that everyone who is able to work can have decent work and make a meaningful contribution to society through work? We find the focus is often centred on work to support business and the economy. As the country rebuilds from the COVID-19 pandemic, now is a good time to reconsider work not only as an economic driver, but also as a significant element of social wellness and cohesion.

The reality is that there are inadequate opportunities for many people to find work that enables them to transcend personal challenges, where they can add value and feel valued. In line with research findings¹, The Salvation Army observes that casualisation has been on the rise for the last two decades. Employment Plus has noted the growing number of employers using casual hiring as a risk management strategy rather than utilising traditional probationary periods to evaluate new employees.

¹ The Australia Institute, Centre for Future Work. (2018, May). *The Dimensions of Insecure Work: A Factbook*. <https://apo.org.au/sites/default/files/resource-files/2018-05/apo-nid173836.pdf>
Australian Bureau of Statistics. (1997). *The Labour Force, Australia, Preliminary, 1997*. Catalogue 6202.0.
<https://www.abs.gov.au/AUSSTATS/abs@.nsf/allprimarymainfeatures/93453BE80F9B9B6CCA25722E001A815D?opendocument>.
Australian Bureau of Statistics. (2019). *Labour Force, Australia, Dec 2018*. Catalogue 6202.0
<https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/6202.0Main+Features1Dec%202018?OpenDocument=>.

This current trajectory leads to certain cohorts of people, such as young workers and people from a culturally and/or linguistically diverse background, becoming entrenched in insecure work and feeling like tools of their employer, rather than valued employees. It is critical, especially in the context of fewer permanent and supported work opportunities, that policy approaches are human-centred and tap into people’s capacity and strengths. Employees who could be successful if the right conditions were in place, are sometimes seen as solely responsible for their own failure with little to no regard for the role of systemic factors. This can have incredibly powerful, negative impacts on people’s sense of self-worth and consequently, their ability to persevere through adversity.

Indeed, there is evidence that insecure work impacts workers’ health.² The fear of losing one’s job can lead to a moderate or high degree of psychological stress and distress on an individual, depending on a variety of factors. As with unemployment, under-employment can also be a source of stress that has the potential to compromise the health and wellbeing of individuals.³

The consequence of this for our service participants is that, increasingly, people are less confident making long-term plans and are struggling to make ends meet. As the availability of secure work has decreased, vulnerability has increased, to the point where people are unable to make their lease payments, obtain basic necessities or pay off loans.

We know that people experiencing disadvantage are less likely to be able to access permanent work. Since the commencement of our current jobactive contract in July 2015, on average, 75 per cent of job placements have been into casual work, hovering at 77% over the last two financial years as shown in Figure 1. Depicting the same data in a bar graph, Figure 2 illustrates that the majority of EPlus placements are into casual work.

Figure 1. EPlus placements by work type as at 31 January 2021

| Year | Period | Work Types # | | | Work Types % | | |
|----------------|------------------|--------------|-----------|--------|--------------|-----------|--------|
| | | Full Time | Part Time | Casual | Full Time | Part Time | Casual |
| Jul 15- Jan 21 | Contract to Date | 17,272 | 7,974 | 76,595 | 17% | 8% | 75% |
| Mar 16- Jan17 | Pre Covid | 3,460 | 1,907 | 14,443 | 17% | 10% | 73% |
| Mar 17- Jan 18 | Pre Covid | 3,570 | 1,488 | 15,201 | 18% | 7% | 75% |
| Mar 18- Jan 19 | Pre Covid | 2,669 | 1,158 | 13,906 | 15% | 7% | 78% |
| Mar 19- Jan 20 | Pre Covid | 2,090 | 858 | 9,545 | 17% | 7% | 76% |
| Mar 20- Jan 21 | During Covid | 1,815 | 645 | 8,858 | 16% | 6% | 78% |

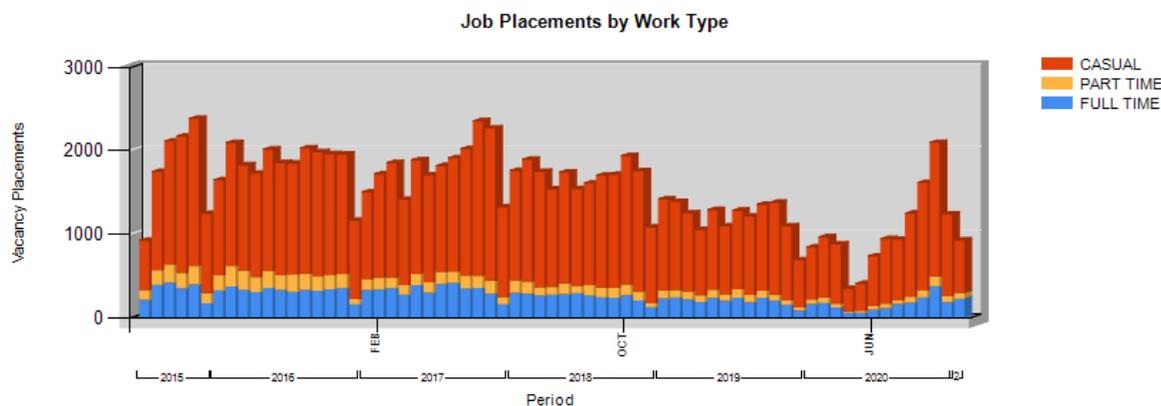
Source: ESS Reports

² Kim, M.-S., Hong, Y.-C., Yook, J.-H., and Kang, M.-Y. (2017). Effects of perceived job insecurity on depression, suicide ideation, and decline in self-rated health in Korea: a population-based panel study. *Int. Arch. Occup. Environ. Health* 90, 663–671; Kim, T. J., and von dem Knesebeck, O. (2015). Is an insecure job better for health than having no job at all? A systematic review of studies investigating the health related risks of both job insecurity and unemployment. *BMC Public Health* 15:985.

³ The McKell Institute. (2018). *Understanding Insecure Work in Australia*. <https://mckellinstitute.org.au/app/uploads/McKell-Institute-Queensland-Understanding-Insecure-Work-in-Australia-1-2.pdf>; Australian Bureau of Statistics. (2016). *Underemployment “represents lost opportunities for people to engage more fully in work and derive their desired financial and personal benefits”*. Catalogue 6202.0 ‘Spotlight on Underemployment’. Canberra: ABS.



Figure 2. EPlus placements by work type as at 31 January 2021



Source: ESS reports

The Salvation Army’s Moneycare and Doorways services have also noted a long-term upward trend of insecure work amongst service participants. Staff report a developing societal expectation that certain cohorts will be in insecure work, including the young, those from culturally and linguistically diverse backgrounds, international students, and those without tertiary level skills or education. Whilst these groups are highly represented in casual employment, we find that job insecurity is driving people from all ages, skill levels and backgrounds to seek assistance from The Salvation Army.

It has been suggested to Moneycare staff that a cause of poverty and financial instability, including among those in casual employment, is a lack of financial literacy. The Salvation Army strongly disagrees with this contention. Indeed, our staff have observed that those with limited income often have greater financial savvy than those with higher incomes, as they have little to no buffer to absorb financial shocks and must plan purchases with greater care. When casual or otherwise insecure employment makes a person’s income highly variable, it is not possible to budget for even predictable, let alone unpredictable, expenses.



“It is very hard for people in insecure work to do any kind of planning. It is hard to plan for more than a week in advance, and the long term for them may only be one month at a time.”

(Moneycare financial counsellor)





“You cannot say we need to increase financial literacy, while also deregulating Buy Now Pay later and Payday Loans. People do what they need to do to survive. You cannot educate people out of wanting to provide for their family.”

(Moneycare financial counsellor)

On the whole, none of our frontline service teams see any evidence to support the argument that increasing casualisation or extending flexible work directions after JobKeeper expires will necessarily reboot or revitalise the economy. Indeed, the government’s own projections indicate that the Australian economy is recovering faster than expected.⁴

The current economic circumstances do not call for it and investing in people will better serve business interests and help reconnect with one another after a year of lock-downs and social distancing.

⁴ Australian Bureau of Statistics. (2021, March 18). *Employment hits 13 million - recovers to pre-COVID level* [Media release]. <https://www.abs.gov.au/media-centre/media-releases/employment-hits-13-million-recovers-pre-covid-level>.

The risks of insecure or precarious work exposed or exacerbated by the COVID-19 crisis

Globally, the economic consequences of the COVID-19 pandemic have not fallen with equal severity on all shoulders.⁵ Existing vulnerabilities have been exposed and inequalities entrenched. Many of those with the most limited means have been the least able to protect themselves. Low paid workers have been exposed to the full force of the health and jobs crisis.⁶

Even before the pandemic, only about half of employed Australians worked in a 'standard' job: full-time permanent waged positions with normal entitlements (like sick leave, annual leave, severance benefits and superannuation).⁷ Workers in insecure jobs lost work far more severely 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-timers. Insecure self-employed workers lost work four times faster than those in more stable small businesses.⁸

Since COVID-19, staff of The Salvation Army have noted that more employers are seeking casual workers and are moving generally towards a more casualised workforce. As the Figures in the preceding section demonstrate, it is rare today for Employment Plus to be asked to recruit for permanent, full-time positions. This has both direct and hidden consequences for job seekers experiencing barriers to employment.

Risks for vulnerable job seekers

There is a clear link between casualisation and poorer quality job outcomes. Our economy is not supporting job seekers if they do not have genuine access to sustainable job opportunities. Increased casualisation also jeopardises the effectiveness of related government objectives, such as reducing the overall number of people accessing income support and providing financial subsidies to employers to stimulate employment outcomes.

As the employment services sector prepares for the introduction of a New Employment Services model (**NESM**) in 2022, we believe it is important to consider how this new service structure will interact with an increasingly casualised labour market. In particular, we note the potential risk inherent in a transfer of a large percentage of current jobactive participants onto the proposed Digital First self-service platform. We encourage the Australian Government to consider the potential impact of the digital self-service model on vulnerable participants in cohorts more likely to be accessing casual or insecure employment.

⁵ International Labour Organization. (2020). *The impact of the COVID-19 pandemic on jobs and incomes in G20 economies*. https://www.ilo.org/wcmsp5/groups/public/---dgreports/---cabinet/documents/publication/wcms_756331.pdf.

⁶ Duckett, S. and Mackey, W. (2020, August 27). *COVID-19 hits the poor and vulnerable hardest*. <https://grattan.edu.au/news/covid-19-hits-the-poor-and-vulnerable-hardest/>.

⁷ The Australian Institute. (2020). *2020 Year-End Labour Market Review: Insecure Work and the COVID-19 Pandemic*. <https://australiainstitute.org.au/wp-content/uploads/2020/12/Labour-Force-2020-Briefing-Note.pdf>.

⁸ Ibid.

These participants currently benefit from regular access to a personal consultant. For example, part of the service our youth employment consultants provide is equipping participants with the skills and confidence to speak with their employers and negotiate additional hours, shifts and permanency. Our recruiters actively source and attempt to broker more secure working conditions on behalf of participants as part of our approach to employer engagement.

Many young people are likely to be initially assessed as digitally capable despite their limited work experience, which potentially limits their access to this level of support and coaching. We know that younger people are at a greater risk of disengagement after leaving school and more likely to become entrenched in casual or insecure work. Conversely, apprenticeships and traineeships continue to offer strong, sustainable career outcomes for young people, but often require more preparation, pre-employment training and brokerage with employers.

We recognise the Australian Government's recent investment in these more secure modes of employment and encourage further consultation with the sector in the design and roll out of NESM. Employment services should respond to the changing nature of work by encouraging active advocacy, incentivisation and engagement with employers who are creating long-term, sustainable job opportunities for disadvantaged people.

Risks for people at risk of or experiencing poverty

The Salvation Army's Doorways program has observed that having limited access to secure work and income further entrenches people in generational poverty. Research indicates it can take up to three generations to disrupt this cycle.⁹ Two of the reasons for this are that people trapped in generational poverty are focused on surviving on a day to day basis, and 'long-term' planning is on the scale of weeks, rather than years. As such, they are less likely to be able to access education and invest in training that would make them more competitive in the labour market on a long-term horizon. The trade-offs associated with upskilling and higher education are significant, and without security in employment and income throughout this process, it is almost impossible to afford and contemplate career training.

According to US-based anti-poverty organisation Urban Ventures:

"They [individuals] are focused on the issue/challenge facing them today. It may be money for food, finding a place to live, dealing with family member's issues, unresolved health issues, etc. This is a daily experience—each day presenting itself with another issue, another challenge. All of this is done under the cloak of urgency. The concept of planning typically doesn't exist, due in part because planning is tied to the belief that the individual has sufficient control of their life."¹⁰

⁹ Cheng, T.L., Johnson, S.B. & Goodman, E. (2016). Breaking the Intergenerational Cycle of Disadvantage: The Three Generation Approach. *Pediatrics*, 137(6). <https://doi.org/10.1542/peds.2015-2467>.

¹⁰ Urban Ventures. (n.d.) Facts about Poverty. *Urban Ventures*. <https://urbanventures.org/facts-about-poverty>.



Mary's Story

Mary (name changed) is a Doorways service participant. She is over 50 years old and has worked as a casual staff in the medical field. Mary was amongst the first at her workplace to have her shifts cut when COVID hit. When she raised concerns about the number of shifts she was receiving, she faced bullying and escalating intimidation. Pre-existing work-related trauma has only worsened as a result of her treatment at work and she is now at risk of homelessness and isolation. She is hyper-vigilant about when she will be able to work again, which is inducing other mental health issues.

In our experience, Mary's case is not an anomaly. Older women in particular, who are employed as casuals are more likely to experience discrimination and shift-shortages at work. Doorways staff have further observed that casual wages, even with a loading, rarely provide sufficient income to sustain people when they have no work. One manager observed: "The idea of setting aside loading for a rainy day is a great idea—if you have enough money to live on... The lack of shifts is pushing people into even more precarious work in the gig economy, where they normally would not wish to be".

In our experience, casual work is seen as a stop gap between graduation and securing white collar work by people who have no intention of casual employment being a long-term situation. Whilst casual employment may appeal to certain groups in the community who are balancing work with other life priorities such as school, it is our experience that people trying to break out of poverty and disadvantage need the security of ongoing employment.

This is supported by research into the transition into work for young people, which found that younger job seekers, for whom casual work would theoretically provide flexibility and time to undertake further study, are still disadvantaged by their insecure employment.¹¹ The study found that the uncertainty of hours forms a constant source of worry and many young people experience a lack of security and struggle to find and maintain accommodation. Research participants reported difficulties balancing work and study, with no guaranteed ongoing shifts or time off work allowed for study.

During the COVID-19 pandemic, Doorways' caseload shifted dramatically, with demand from customary service participants decreasing as a result of access to the Coronavirus Supplement. In contrast, the number of international students, who rarely seek assistance from The Salvation Army but are highly represented in industries that were hit early and hard by lockdowns and who were ineligible for income protection during the pandemic, increased significantly. In the period from July to December 2019 The Salvation Army Doorways emergency relief team

¹¹ Maheen, H. and Milner, A., Victorian Health Promotion Foundation (Oct 2019) Young people, transition into work and mental wellbeing <https://apo.org.au/sites/default/files/resource-files/2019-09/apo-nid272731.pdf>.

assisted 86 international students. In 2020, this rose to 15,965 international students requiring relief from Doorways.

Risks for women experiencing family and domestic violence

The Salvation Army's data suggests that family violence is the leading cause of homelessness and that when you add insecure work to that scenario, women have less choice. We know that with fewer options, women tend to stay in a violent relationship longer, which consequently raises the risks for themselves and their children.

Employment gives women choice. It empowers them to retain custody of their children and to independently house, feed, clothe and educate themselves and their children. It enables them to keep their children safe. Without secure work, housing becomes unstable, which increases the trauma women and their children are already trying to manage.

Over 50 per cent of those entering The Salvation Army's FDV services are unemployed or looking for work. Without access to secure income, our staff have observed that women fall into a poverty trap, which is a primary reason for those entering The Salvation Army's homelessness services. Many are moving from refuges and other forms of short-term accommodation and suffering high levels of trauma, which in turn, creates barriers to securing employment.

In our experience, having secure and supported employment is the first step in breaking patterns of abuse and starting recovery. The flexibility that women require to get through crisis should be based in employer policies and culture rather than dependent on employment terms and individual contracts. Having access to family leave entitlements could help women leave violent relationships sooner, retain employment and reduce the impacts of trauma on families.

Cathy's Story

Cathy (name changed) came to The Salvation Army's Family Violence Services after a very serious threat by her partner that ended in an Apprehended Domestic Violence Order (**ADVO**) against him. Cathy was on a Bridging Visa and fled with nothing but her work uniform and one bag with her passport. At the time of the incident, she was working as a cleaner in a large commercial retail centre. When hired, Cathy decided she should not disclose her experience of FDV as she felt this could be detrimental to her employment prospects. Although she was working regular, full-time hours she was classified as casual and knew she could be terminated with minimal notice or not given shifts.

Cathy's cleaning job was her sole source of income and was vital to her being able to live independently of her abusive partner. She was living in a refuge with shared living spaces when COVID-19 hit. When a fellow resident and her child returned with flu-like symptoms, Cathy was required to self-isolate and get tested. Even though her place of work remained open, she was unable to work whilst awaiting the test results. This caused significant distress for Cathy as she had not been able to afford putting any money aside and her

employer indicated they would not be retain her if she was unable to fulfil her shift obligations.

Ultimately, Cathy ended up losing her position due to broader COVID-related circumstances; however, her pre-existing work insecurity left her vulnerable to losing income and her job for reasons beyond her control. Being casual, she was left with no income protection during COVID-19 shutdowns and became entirely reliant on The Salvation Army for basic living expenses, including food, communication, travel, medical and accommodation needs.

Unfortunately, Cathy's case is not unique. The Salvation Army's FDV services assist many migrant women, on both permanent and temporary visas, who feel they lack choice in the labour market because of cultural bias, their accent, limited or less than fluent English proficiency, age, gender or skin colour. For many migrant women, as well as Aboriginal and Torres Strait Islander women, leaving a violent relationship requires them to leave their community, cutting them off from country, social supports and connections that could help them secure work opportunities.

Since businesses have started to re-open following COVID-19 restrictions, participants of migrant backgrounds have found it more difficult to find any work, including casual work. Employers are naturally cautious, however, increased demand and competition amongst job seekers has shifted the power balance, locking out some disadvantaged applicants and undermining real choice in accepting casual work.



“There is an inherent, unspoken pressure: employers hire casuals as the ‘relief’ for permanent staff who enjoy rights and protections at work. The expectation is that you will always be able to work when you are needed. If you can’t be a ‘relief’ person, ‘what do I need you for’? This is particularly bad for migrant women, who feel like they don’t have any bargaining power. They just take what they can get.”

(Moneycare financial counsellor)

All of these issues impact on women's ability to leave violent relationships. The limited permanent work opportunities our service participants find rarely provide the required level of flexibility to juggle childcare responsibilities, legal appointments and self-care. Yet women in casual jobs find that when these issues prevent them from accepting shifts, they become less likely to maintain adequate shifts to make ends meet. One service manager soberly observed: “It is easier to go back to the abusive partner and just manage, than to leave and try to manage all of these challenges alone.”

Insecure work also increases risk factors for family violence¹² and there is well-documented evidence that the stress of job losses due to COVID-19 increased rates of family violence.¹³ Given the job losses were most acute in areas of casual and insecure work, it follows that the prevalence of insecure work contributed to the increase in violence.

Risks for people at risk of or experiencing homelessness

Insecure work is a major barrier to a person gaining and maintaining a tenancy. With slow movement in social housing waiting lists, people must turn to the private rental market, which is also increasingly difficult to access. High demand in some areas of Australia, coupled with stricter income eligibility requirements, such as evidence of permanent part-time or full-time work for three months prior to signing a contract, effectively lock out many casual workers. As a result, service participants report feelings of helplessness and say that they have no choice but to take any job they can get in order to maintain housing (even if it is sub-standard), support family dependents, or maintain custody of their children.

As discussed in other sections of this submission, these conditions impact on people's sense of self-worth, value and connection to community. Feeling disempowered, under-valued and without a sense of purpose, people turn to negative coping strategies, including substance misuse, physical and verbal abuse, and exerting financial control over other family members.

Groups, such as people seeking asylum or New Zealand citizens, who face additional barriers to secure employment and who are largely ineligible for income support often experience a high risk of homelessness. This risk was heightened during the COVID-19 pandemic, as the following case study illustrates.

Stacey's Story

Stacey (name changed) is a New Zealand citizen who has lived in Australia for the past 17 years. She came to The Salvation Army for assistance requiring income support, accommodation, grief counselling and treatment for a substance use disorder. After losing her casual hospitality job due to COVID-19, Stacey became homeless. Like many others, standard earnings on a casual salary were not enough to get her through the unprecedented COVID-19 crisis and she was not entitled to any leave.

Once businesses began to re-open, she found that the jobs being advertised were mostly casual. She observed to staff that employers were offering full time roles but giving people four to eight-hour trial shifts for no pay and then filling their roster this way. As there were so many people looking for employment opportunities at the same time, Stacey felt that

¹² Royal Australian College of General Practitioners. (2014). *Abuse and violence: Working with our patients in general practice, 4th edn.* <https://www.racgp.org.au/getattachment/4e803844-24c6-4c89-8f81-0f20c454bb31/Abuse-and-violence-Working-with-our-patients-in-general-practice-br-White-Book.aspx>.

¹³ Boxall, H., Morgan A. & Brown R. (2020). *The prevalence of domestic violence among women during the COVID-19 pandemic.* Statistical Bulletin no. 28. Canberra: Australian Institute of Criminology. <https://www.aic.gov.au/publications/sb/sb28>.

employers were taking advantage of people's desperation to obtain free labour for a period of time.

Stacey did eventually secure full-time employment, however this was still on a casual basis.

Risks for those with health and mental health issues

Research has shown there is a direct correlation between job insecurity and mental health impairment.¹⁴ Studies have linked job insecurity, as a generator of stress, with depressive disorders, anxiety, and physical health problems, such as heart disease.¹⁵ Where work insecurity culminates in financial stress, individuals face difficult budgeting choices.

In The Salvation Army's experience, one of the first expenses to be cut when people are in financial distress is that of health care. Many service participants struggle to attend a general practitioner and the costs of dental care are prohibitive. Across The Salvation Army's services, we have observed that job and income insecurity have also made it difficult, if not impossible, for people experiencing poor mental health to access the very services and medication that would enable them to retain employment. Many of our service participants in our Moneycare and Doorways services identified to staff that this has prompted relapse into crises and substance use disorders that were previously under control. The impacts of failing to obtain and maintain a job on people's mental health cannot be underestimated.

Risks for young people

Many of The Salvation Army's youth service participants have been forced into adult responsibilities quite early in their lives as a result of circumstances beyond their control. These circumstances include family breakdown, abuse in the home, substance use disorders and mental health issues. In turn, they enter adult society to face barriers to securing stable employment, difficulties in accessing income support payments, lack of support when in, or moving from, state care, chronic housing unaffordability, and consequently, overcrowded living conditions.

The natural consequence of this is entrenched poverty and significant barriers to successful employment. Prior to the onset of the COVID-19 pandemic, research showed that 1.2 million

¹⁴ Menéndez-Espina, S., Llosa, J.A., Agulló-Tomás, E., Rodríguez-Suárez, J., Sáiz-Villar, R. and Lahseras-Díez, H.F. (2019). Job Insecurity and Mental Health: The Moderating Role of Coping Strategies From a Gender Perspective. *Frontiers in Psychology*, 10. <https://doi.org/10.3389/fpsyg.2019.00286>

¹⁵ Ibid.



Australians under the age of 24 were living in poverty.¹⁶ This represents 37 per cent of the total population living in poverty in Australia, estimated at 3.24 million.¹⁷

Data from the latest Household, Income and Labour Dynamics in Australia (**HILDA**) survey shows that youth are the most likely group to work in non-standard employment contracts.¹⁸ In fact, more than 50 per cent of young workers aged 15 to 24 are employed through casual contracts. While three quarters of casual workers are also engaged in study, there has also been a rise in insecurity for those who have graduated from tertiary education. In 2018, almost 40 per cent of workers aged 25 to 34 were employed in a casual, fixed term or part-time arrangement.¹⁹ Overall, in August 2019, young people accounted for 46.0 per cent of short-term casual employees, while they represented 17.4 per cent of all employees.²⁰

In our experience, a significant dimension of disadvantage for many youth service participants is poor and insecure work prospects and outcomes. Youth Services staff have observed fewer opportunities to gain work experience, particularly for at-risk youth and young adults. Young people with histories of abuse, neglect, poverty or disadvantage, many of whom have struggled through the education system, are thrust out into a labour market that is ill-equipped to provide the necessary support for employment success. Yet, as with most participants in The Salvation Army's services, securing gainful employment can be a critical pathway into a more stable and sustainable situation. What is missing is a circuit breaker, in the form of evidence-based, nationwide programs delivered through partnerships between government, business and civil society, to help young people experience success at work and consequently, chart a new course in life.

The COVID-19 pandemic and its economic effects to date have further exacerbated the already precarious conditions of young people in the labour market. It is estimated that 40 per cent of the workforce in some of the sectors most affected by the pandemic (sectors that shrunk or temporarily or permanently closed such as fast food, hospitality, retail and the arts) are younger than 24 years of age.²¹

Furthermore, due to the COVID-19 pandemic, we have observed an increase in presentation to our youth services in 2020 and there is no indication that this trend will subside in 2021. In fact, we expect a further deterioration of youth circumstances once the government's temporary support measures expire.

¹⁶ Davidson, P., Saunders, P., Bradbury, B. & Wong, W., *Poverty in Australia 2020: Part 1, Overview* (2020). ACOSS/ UNSW Poverty and Inequality Partnership Report, Sydney: ACOSS.

¹⁷ Ibid.

¹⁸ Melbourne Institute. (2020). The Household, Income and Labour Dynamics in Australia Survey (HILDA). <https://melbourneinstitute.unimelb.edu.au/hilda>.

¹⁹ Wilkins et al.. (2020). *The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 17 The 14th Annual Statistical Report of the HILDA Survey (2019)*

See also Per Capita. (2020). *Coming of Age in a Crisis: Young Workers, COVID-19, and the Youth Guarantee*. https://percapita.org.au/wp-content/uploads/2020/06/Coming-of-Age-in-a-Crisis_FINAL.pdf.

²⁰ Parliament of Australia. (2020). *COVID-19: Impact on casual workers in Australia – a statistical snapshot*. https://parlinfo.aph.gov.au/parlInfo/download/library/prspub/7262636/upload_binary/7262636.pdf.

²¹ Per Capita. (2020). *Coming of Age in a Crisis: Young Workers, COVID-19, and the Youth Guarantee*. https://percapita.org.au/wp-content/uploads/2020/06/Coming-of-Age-in-a-Crisis_FINAL.pdf.

In light of the COVID-19 pandemic, at a time when hundreds of thousands of young people have lost work and thousands of apprentices and trainees have been suspended or terminated, this is an area of particular concern for The Salvation Army. We know from past recessions that, without intervention, young people entering the labour market will suffer long-term harm, face higher-risk work conditions and be less likely than others to find jobs that are suitable for them in the long term. As a group, their incomes will be lower and they will be more likely to suffer poor mental health. In the long term, these factors will reduce productivity, increase welfare costs and dampen economic growth. Most importantly, many young people will not achieve their potential.

Workplace and consumer trends and the associated impact on employment arrangements in sectors of the economy including the ‘gig’ and ‘on-demand’ economy

A key feature noted amongst casually-employed service participants across The Salvation Army programs is the requirement of multiple jobs to make ends meet. Staff from all services observed that participants employed on a casual basis, including those employed in the gig economy, earn minimum wages. People engaged in casual work out of necessity, as opposed to choice, cannot earn a liveable income without multiple positions. However, too often casual shifts will conflict, forcing employees to choose between jobs. In turn, this can compromise people’s ability to obtain future or regular shifts from multiple employers where it is well-known that refusing shifts bears negatively on future prospects. Casual workers manage this tension on a daily basis.

It is important to recognise the differences between sources of work in the ‘on-demand’ economy. Many gig jobs, including food delivery work, entail greater risk and can require people to work 50 to 60 hours per week to make ends meet. Further these gig economy jobs are difficult to sustain and not worth the number of hours required at lower rates. On the other hand, on-demand jobs, including task outsourcing platforms, provide greater security and autonomy and often pay better than casual, gig economy roles such as food delivery.

Unfortunately, there is a downside to this kind of work. For example, we see that some youth service participants do not have a clear understanding around their rights and responsibilities, which in turn diminishes their confidence to negotiate better working conditions in formal employment. Ad-hoc earning can limit the development of healthy budgeting skills or future-planning for longer-term expenses. Critically, these gig and on-demand economy roles impact on superannuation and retirement savings if they form a long-term source of employment.²² Research by the Actuaries Institute found that gig economy workers are impacted by lack of access to basic entitlements, including the superannuation guarantee.²³ The study also pointed to long-term risks to public spending due to greater reliance on the Age Pension.

²² Duke, J. (2020, February 13). New set of problems: Gig economy a curse ball for retirement system. *Sydney Morning Herald*. <https://www.smh.com.au/politics/federal/new-set-of-problems-gig-economy-a-curse-ball-for-retirement-system-20200211-p53zpy.html>.

²³ Actuaries Institute. (2020). *The rise of the gig economy and its impact on the Australian workforce* [Green Paper]. <https://actuaries.asn.au/Library/Miscellaneous/2020/GPGIGECONOMYWEB.pdf>.

The aspirations of Australians including income and housing security, and dignity in retirement



"I am most worried about meeting my household expenses. I am anxious about my future and my family... we are becoming more and more isolated and unable to socialise within our community, which is really affecting our mental health.

(Salvation Army Community Member)

Participants in The Salvation Army's services want the same things for their futures as any Australians: they want to be able to live with dignity and security. They want to feel like they belong. They want their children to be safe and to thrive. They want to be able to plan. The things our community members say they want should not be aspirations – they should be achievable goals.

Yet when asked about how service participants talk about the future, The Salvation Army's service staff explain that applicants lack hope in the current jobs market.



"Some have just given up. They can't think about the future when they're just trying to survive. [As a casual] they feel they're not a member of where they worked, but just a tool."

(Moneycare financial counsellor)

The majority of the people we assist who are seeking work, prefer permanent employment to decrease stress and uncertainty and enable them to contribute to the long-term benefits of the business in which they are employed and to society more generally.

In considering policy reforms, it is imperative that the government understand the inherent human desire to feel valued and account for the relationship between work, wellness and resilience. Limited decent, fair and secure work can, in itself, be a disincentive to work.

The rate of the JobSeeker Payment is intended to balance basic income needs with incentivising work. However, the security of income support is likely to outweigh any potential of higher earning where secure job prospects are limited. Whilst the JobSeeker Payment is set at an unsustainably low level and, in our experience, forces many people to forego necessities or enter into debt, the continued casualisation of labour will continue to work counter to the government's belief that 'the best form of welfare is a job'.

About The Salvation Army

The Salvation Army is an international Christian movement with a presence in 128 countries. Operating in Australia since 1880, The Salvation Army is one of the largest providers of social services and programs for people experiencing hardship, injustice and social exclusion.

The Salvation Army Australia has a national operating budget of over \$700 million and provides more than 1,000 social programs and activities through networks of social support services, community centres and churches across the country. Programs include:

- Financial inclusion, including emergency relief
- Homelessness services
- Youth services
- Family and domestic violence services
- Alcohol, drugs and other addictions
- Chaplaincy
- Emergency and disaster response
- Aged care
- Employment services
- Modern slavery

As a mission driven organisation, The Salvation Army seeks to reduce social disadvantage and create a fair and harmonious society through holistic and person-centred approaches that reflect our mission to share the love of Jesus by:

- Caring for people
- Creating faith pathways
- Building healthy communities
- Working for justice

We commit ourselves in prayer and practice to this land of Australia and its people, seeking reconciliation, unity and equity.

Further Information

The Salvation Army would welcome the opportunity to discuss the content of this submission should any further information be of assistance.

Further information can be sought from Major Paul Hateley, National Head of Government Relations, at

