

CONFRONTING THE CHALLENGE OF INSECURE WORK

Despite the significant changes that have occurred in the labour market over the past 20 years, many aspects of the growth of insecure work are poorly understood.

The Inquiry identified a number of areas where further work is required, particularly around the collection and dissemination of accurate statistical information about working life, and recommended that:

- **The Federal Government reinstitute a large-scale survey of workplace relations along the lines of the *Australian Workplace Industrial Relations Survey* undertaken in the 1990s;**

- **The Australian Bureau of Statistics' (ABS) *Employee Earnings and Hours* survey be expanded and conducted annually, and the ABS address gaps in the annual *Forms of Employment* survey that lead to the underreporting of the use of agency workers and labour hire.**

- **The ABS respond to the need for gender disaggregated data on the links between**

working conditions and work-family responsibilities, and for commonly applied definitions of "flexible" and "family-friendly" working arrangements.

- **To assist in understanding the impact of insecure work on workers and communities from CALD backgrounds, the Federal Government establish an independent, professional research body similar to the former Bureau of Immigration, Multicultural and Population Research.**

LIVES ON HOLD: UNLOCKING THE POTENTIAL OF AUSTRALIA'S WORKFORCE

The report of
the Independent
Inquiry into Insecure
Work in Australia



The Independent Inquiry into Insecure Work in Australia was commissioned by the ACTU to investigate insecure work and its impact on workers, their families and the community, and to provide recommendations on what might be done.

Over six months, the Inquiry took hundreds of submissions from workers, unions, researchers and community organisations and held 25 days of public hearings across the country.

ABOUT THE INQUIRY MEMBERS

Brian Howe AO (Chair)

Mr. Howe was Deputy Prime Minister of Australia between 1991 and 1995. He was a Minister between 1983 and 1996, whose portfolios included Social Security, Community Services and Health. Mr. Howe is a Professorial Associate at the Centre for Public Policy at Melbourne University.

Paul Munro (Deputy Chair)

From 1986 to 2004, he served as Justice Munro, a Senior Presidential Member of the Australian Industrial Relations Commission. Since retiring from the AIRC Mr. Munro has maintained an active role publishing papers on law and industrial relations and as an occasional consultant and mediator. He is Vice-President of the Australian Institute of Employment Rights.

Jill Biddington

is a former union official and educator. She entered the union movement as a rank-and-file member in the finance industry, and was leader of the one of the five unions that amalgamated to form the Finance Sector Union. Jill Biddington has worked for the New South Wales Nurses' Association, the LHMU, Unions NSW, and the ACTU Organising Centre.

Sara Charlesworth

is Associate Professor and Principal Research Fellow at the Centre for Work+Life, University of South Australia. Associate Professor Charlesworth's research interests centre on gender inequality in employment at the labour market, industry and organisational levels, and the intersection of job quality and sex discrimination.

THE INQUIRY'S FINDINGS

The internationalisation of Australia's economy over the past 30 years has undoubtedly improved living standards in Australia. At the same time however, the changes that have occurred in our economy and society have also seen unprecedented growth of insecure work – poor quality jobs that provide workers with little economic security and little control over their working lives.

- Almost one quarter of all employees in Australia (23.9% or 2.2 million workers), and one fifth of the total workforce, are engaged in casual employment.
- Fixed-term employment accounts for just over 4% of all employees, heavily concentrated in a few sectors such as education.
- Over one million workers in Australia (9% of the workforce) are independent contractors. Many contractors are in reality economically dependent on a single client, and a significant number of contractors are pressured into sham contracting.
- Up to 300,000 workers are employed through labour hire agencies, with little or no job security.

THE IMPACTS OF INSECURE WORK

The Inquiry heard stories from hundreds of workers who, because of the precarious nature of their employment –

- Are unable to plan ahead or make time to be with their families.
- Find it impossible to get a car loan or a home loan, or
- Are too afraid to speak out at work about issues like health and safety.

The unpredictable incomes and long hours involved in insecure work also place significant pressure on families, and can have serious health impacts.

Poorer superannuation earnings mean more workers will be reliant on the pension, and the lack of training opportunities associated with insecure work will inevitably contribute to poorer productivity.

THE HOWE INQUIRY'S RECOMMENDATIONS

REFORMING LABOUR LAW TO PROVIDE PROTECTION TO ALL WORKERS

The Inquiry recommended that industrial regulations be strengthened to provide a universal set of protections to all Australian workers:

• **Australia must pursue universality in labour law. Doing this effectively requires:**

> **Expanded definitions of employers and employees;**

> **Reforms to better capture indirect employment arrangements like labour hire and dependent contracting;**

> **A firmer definition of casual work; and**

> **Expanded National Employment Standards that create**

a set of inclusive minimum standards that protect all employees.

• **The Fair Work Commission should be given stronger powers to determine where joint employment relationships exist and to grant 'Secure Employment Orders'.**

• **A licensing system for the labour hire industry should be established.**

• **The ACTU should develop a 'gradual deeming' mechanism that would see casual employees accumulate entitlements like annual leave over time.**

• **The Federal Government must invest more resources in enforcing the *Fair Work Act*.**

INVESTING IN OUR WORKFORCE

However, simply refining labour market regulation won't limit the growth of insecure work.

An open economy in an internationally competitive environment like Australia's will never be able to compete by driving down labour costs. Instead we need to focus on innovation, productivity and improving the skills of our workforce.

The Inquiry called for a number of reforms aimed at achieving a more skilled workforce, including:

• **A broader focus on work-life transitions, rather than the narrow preoccupation with the transition between employment and unemployment that has led to an emphasis on 'Welfare-to-Work' initiatives.**

• **A commitment to lifelong learning, including a call for the ACTU to investigate learning accounts as a model for investing in the capability of workers over the lifetime.**

GOVERNMENT'S ROLE AS AN EMPLOYER

Government also needs to take its role more seriously, and recognise just how influential it is as one of the largest employers in the country. The Inquiry set out a comprehensive approach that would see **Governments at all levels make stronger use of their leverage as employers, funders and purchasers to support secure forms of employment.**

A number of recommendations were made for how this can be achieved in direct government employment in the Commonwealth and State public services, in funded sectors such as public and tertiary education, and through government procurement.

• **Reform to Australia's tax and transfers system to provide a stronger safety net by:**

> **Addressing the inadequacy of the Newstart Allowance;**

> **Simplifying income declaration systems; and**

> **Abolishing the Liquid Assets Waiting Period.**

> **Changes to the way Job Services Australia interacts with forms of insecure work such as labour hire.**

The Inquiry also called for the ACTU to investigate models for a comprehensive system of employment insurance.