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## **UnitingCare Australia Submission to the Senate Selection Committee on the Future of Work and Workers**

### **Introduction**

UnitingCare Australia welcomes the opportunity to contribute a submission to the Senate Select Committee on the Future of Work and Workers.

Our submission focusses both on the factors contributing towards unstable working conditions as we see them, both now and into the future, as well as specific issues concerning future employment trends in the social and community service sector, in which UnitingCare organisations operate.

Our submission broadly highlights the need for values-based recruitment and employment pathway programs to provide the skills and opportunities that people will require to access and sustain meaningful employment into the future. We forward examples, including UnitingCare Australia's own values-based employment model, that demonstrate the effectiveness of tailored, holistic and support-focussed employment initiatives in overcoming many of the obstacles facing jobseekers, and particularly those who are most disadvantaged. We believe there is significant scope for further applications of such models into the future.

This submission also comments upon the responsibility and role we see for government in supporting job creation through community building initiatives and basic income models, to stimulate employment and growth, particularly in limited markets.

Other issues raised in our submission include:

- Unemployment as a determinate of health and wellbeing, with examination of issues impacting people in precarious employment circumstances, or who face significant barriers to entering the workforce or sustaining employment.
- The continuing growth of the social and community service sector and anticipated workforce issues, including casualisation in service areas that are consumer-driven.
- The sustained role of government in providing a social security safety net for those who are unemployed or in precarious employment circumstances.

### **Employment as a determinate of health and wellbeing**

UnitingCare Australia highlights the significance of employment as a critical determinate of health and wellbeing for individuals and communities. A strong correlation exists between unemployment or instable employment conditions and the likelihood of poverty and poor health and wellbeing outcomes. As observed by the University of New South Wales' *Social Policy Research Centre*:

There is strong evidence that unemployment increases the risk of poverty and contributes to inequality, and that it also gives rise to a series of debilitating social effects on unemployed



people themselves, their families and the communities in which they live. This suggests a need for welfare reform to give emphasis to employment generation, but this should not be the only outcome by which the welfare system should be judged<sup>1</sup>.

Given the importance of employment as an alleviator of social harm, we subsequently promote the need for initiatives to be supported and delivered by government that generate employment opportunity and facilitate job creation, toward the goal of improving individual and community health and wellbeing. We commend the need for holistic and supportive approaches to employment creation and job preparedness activities that do not penalize those who are unemployed, but rather, provide the supports necessary that enable individuals to enter into, and retain meaningful employment. We advocate the need for recognition of broader contextual issues linked to employment and their associated benefits, as identified by the Australian Institute of Health and Welfare:

- **Educational attainment** is associated with better health throughout life. Education equips people to achieve stable employment, have a secure income, live in adequate housing, provide for families and cope with ill health by assisting them to make informed health care choices. An individual's education level affects not only their own health, but that of their family, particularly dependent children.
- **Occupation** has a strong link to position in society, and is often associated with higher education and income levels—a higher educational attainment increases the likelihood of higher-status occupations and these occupations often come with higher incomes.
- **Income** and wealth play important roles in socioeconomic position, and therefore in health. Besides improving socioeconomic position, a higher income allows for greater access to goods and services that provide health benefits, such as better food and housing, additional health care options, and greater choice in healthy pursuits. Loss of income through illness, disability or injury can adversely affect individual socioeconomic position and health<sup>2</sup>.

It is our belief that employment and workforce strategies adopted into the future must be underpinned by, and measured against, the above-mentioned determinants of health and wellbeing to provide genuine employment opportunities and the flow-on benefits for individuals.

## The responsibility of government in generating employment opportunity

UnitingCare Australia highlights our belief in the critical role of government in facilitating job creation, and where necessary, providing guaranteed employment for individuals, particularly in limited markets. As observed by The Australia Institute's *Centre for Future Work*:

"...Committing to the creation and maintenance of high-quality, secure work should be at the top of Australia's national economic policy agenda. We need a focused strategy for jobs: Creating more of them. Lifting the quality of jobs. Ensuring secure and fair conditions.

<sup>1</sup> UNSW. 2002. *The Direct and Indirect Effects of Unemployment on Poverty and Inequality*. Available at: <https://www.sprc.unsw.edu.au/media/SPRCFile/DP118.pdf>

<sup>2</sup> AIHW. 2016. *Australia's Health 2016: Determinants of Health*. Available at: <https://www.aihw.gov.au/reports/australias-health/australias-health-2016/contents/determinants>



Providing access to jobs for those who need them most. And aligning our education, skills and vocational training system to better support workers to do the jobs that are required in a modern economy”<sup>3</sup>.

In this context, UnitingCare Australia recognises the leading role for government to play in a number of respects; Firstly, we observe that unemployment in Australia will only be reduced when there is an increased rate of growth in the number of jobs that are available. It follows that a higher growth rate in employment subsequently requires a faster rate of growth in economic activity. A key role for government in promoting employment growth is therefore for it to focus on the demand-side of policy and through using macroeconomic policy to facilitate higher overall growth. We refer the Committee to research from the OECD<sup>4</sup>, identifying growth-enhancing policy reforms that are likely to also reduce income inequality:

- Improving the quality and reach of education
- Promoting equity in education
- Reducing the gap between employment protection on temporary and permanent work
- Increasing spending on active labour market policies
- Promoting the integration of immigrants
- Improving labour market outcomes of women
- Fighting discrimination, and
- Taxing in a way that allows equitable growth<sup>5</sup>.

Beyond a focus, however, on demand-side policy, we highlight Government’s role in enabling employment opportunity through supply-side policies. Such policies aim to improve the job readiness of people who are unemployed or seeking to enter the workforce, and are geared towards improving the likelihood of their transition into sustainable and meaningful work. In addition to delivering the economic, social and wellbeing outcomes as discussed above, effective supply-side policies have the ability to generate a faster rate of growth in employment and thus have greater overall social and economic benefit for individuals and communities.

We acknowledge Government’s role in currently delivering supply-side policies and programs, such as through the jobactive program and other employment initiatives<sup>6</sup>, and highlight the need for such mechanisms to be reviewed and strengthened. Specifically, we advocate the need for greater focus on the long-term benefits of increased early investment in job preparedness, skills development and employment pathways initiatives to create genuine employment opportunities as well as deliver improved social and economic outcomes. Examples of effective models are discussed later in this submission.

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<sup>3</sup> TAI Centre for Future Work. 2018. *Submission to the Senate Select Committee on the Future of Work and Workers*.

<sup>4</sup> OECD. 2012. *Reducing income inequality whilst boosting economic growth: Can it be done?* Available at: <http://www.oecd.org/eco/labour/49421421.pdf>

<sup>5</sup> OECD. 2012. *Reducing income inequality whilst boosting economic growth: Can it be done?* Available at: <http://www.oecd.org/eco/labour/49421421.pdf>

<sup>6</sup> See commentary in Anglicare Australia’s 2017 *Job Availability Snapshot*, highlighting issues with the jobactive system. Available at: <http://www.anglicare.asn.au/docs/default-source/default-document-library/jobs-availability-snapshot-2017.pdf>



## **Current and future employment trends in the social and community services sector**

We take the opportunity to offer a brief overview of the specific issues identified in relation to the social and communities sector, in which we operate, regarding the future of work and workers.

The social and communities services sector has undergone significant structural change over the past decade. The most recent significant changes to the sector have included the introduction of consumer-directed care, coupled with growing demand for social and community services, facilitated in large part by Australia's ageing population. These factors have resulted in the introduction of major social infrastructure programs such as the National Disability Insurance Scheme, as well as reform of policies and programs, most recently in the areas of aged care and early childhood education and care, to facilitate more flexible, affordable and quality services for those in need. Impacts of these changes are examined further below with reference to effects of the sector's workforce.

### **Introduction of consumer-directed care**

The introduction of consumer-directed care (CDC) has signalled a significant shift in the delivery of social and community services. The CDC model seeks to provide greater choice to consumers in selecting and using services that are most likely to benefit their needs. CDC facilitates direct allocation of funding to consumers who can exercise choice and control over their services, including when, what and how they are provided. This is a major disruption to the labour market and particularly to the nature of direct support and care jobs. In delivering services under the CDC model, many providers are turning to casual employment to respond to changing market forces and to ensure flexibility in meeting client needs and managing budgets.

Despite the potential benefit of enabling increased flexibility for employees, allowing them to negotiate and work hours that suit their needs, it is UnitingCare Australia's experience that casualisation can bring with it harmful consequences for workers. Indeed, as observed by May et al.:

It is clear that casual workers in general are far more vulnerable to practices such as summary dismissal, variation in hours and schedules, arbitrary treatment and underpayment. In addition, they are vulnerable to deficits in aspects such as skill formation and promotion. Such deficits may not have much effect in the short-term, but the consequences are likely to be worse when employees are stuck in casual jobs for long periods of time.

Casualisation is seen as bad not only because it draws more workers into the net of casual work but also because it exerts downward pressure on the wages and conditions even of those employees that continue to be viewed as 'permanent'. Both cases are often identified at workplace level with processes such as outsourcing and labour hire, which threaten the direct or indirect replacement of permanent workers by casual workers. In both cases, the bad consequences for individual employees readily extend out to bad effects on families and communities<sup>7</sup>.

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<sup>7</sup> May, Robyn, Iain Campbell and John Burgess. 2005. *The rise and rise of casual work in Australia: Who benefits, who loses?* Available at: <http://apo.org.au/system/files/1113/apo-nid1113-92926.pdf>



Further to the impact on the community services workforce, UnitingCare Australia also cautions the potential for casualisation to adversely impact on the quality of care delivered by workers. Research, for instance, has highlighted the potential for a casual workforce to impact negatively on the continuity of care and the quality of support received by service users. This is seen to result from casual employees not having the opportunity to receive opportunities for professional development, skills refreshing and other supports offered by employers to permanent members of staff<sup>8</sup>.

In a social and community services sector increasingly characterised by a changing workforce structure, it is critical to mitigate any harmful effects of casualisation by ensuring that strategies are in place to support casual staff, accommodate their needs as much as possible, and provide pathways to more permanent work, if sought. It is also imperative that community sector service providers employ staff that are supported and committed to their work, in order that they deliver a high-quality standard of care to service recipients.

In addition to the employer playing a critical role in facilitate this, there is also significant scope for government to boost the support it provides to casual employees, particularly in ensuring that income support structures 'do no harm' and provide genuine assistance to people in precarious employment circumstances. Possible strategies to achieve this are discussed further below.

### **Growth of the community services sector**

The social and community services sector is a significant growth sector in Australia, expanding by 3% between 2015-16, with this trajectory projected to continue and extend into the<sup>9</sup>. With services in increasingly high demand, the sector's workforce is often chronically under-resourced to meet consumer need. Moreover, projections indicate that the human services sector, by its very nature, is comparatively less likely to be significantly impacted by increased artificial intelligence and automation technologies, thus representing an area for continued growth in employment<sup>10</sup>.

A significant issue for the sector relates to its ability to attract and retain a quality and committed workforce. The nature of work undertaken in community services is often draining and demanding, with workers receiving comparatively smaller wages to other service sectors. In addition to introducing strategies that enable stronger investment in a quality care sector workforce, there is also critical need for re-examination of wage rates, subsidies and support for employers to increase the attractiveness of employment in social and community services. Potential strategies to facilitate this are offered below.

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<sup>8</sup> See Bechers, Susanne, Helen McCutcheon and Desley Hegney. 2010. *Casualisation in the nursing workforce – the need to make it work*. Australian Journal of Advances Nursing 28(1): 45-51.

<sup>9</sup> Australian Bureau of Statistics. 2017. *Australian Industry 2015-16*. Available at: <http://www.abs.gov.au/ausstats/abs@.nsf/0/48791677FF5B2814CA256A1D0001FECD?Opendocument>

<sup>10</sup> NPR. 2015. *Will your job be done by a machine?* Available at: <https://www.npr.org/sections/money/2015/05/21/408234543/will-your-job-be-done-by-a-machine>



## Models to facilitate future employment opportunity

Community service organisations face the challenge of balancing the need to support and nurture their workforce in a financially competitive environment, while not compromising on the quality of services and supports they deliver. Achieving positive outcomes for both consumers and workers is therefore key to enabling a high-quality service system that can deliver positive outcomes for all.

As noted above, the capacity for individuals to attain stable, permanent, full-time paid employment with standard entitlements such as leave and superannuation is increasingly limited for many people in Australia.

UnitingCare Australia advocates the need for Government to play a substantive role in piloting and promoting innovative models to facilitate increased employment opportunities and job readiness, particularly for individuals and communities who face significant barriers to employment.

## Values-based employment and the UnitingCare model

As a means to ensure a quality, stable workforce in the community services sector, and also facilitate meaningful and sustained employment for workers, UnitingCare Australia advocates the values-based employment model. The values-based model represents an approach to attracting and selecting employees whose attitudes, values and behaviours align with those of the organisation and the requirements of the role. As further explained:

Values-based work can be conceived as one approach to creating ethical 'norms' for organisational behaviour and outcomes. It is usually posed in contrast to a standards-based work climate which is dictated more by the need for compliance to external rules, regulations and laws. Values-based approaches are guided by internalised values which aim to encourage responsible, internally-driven and self-managed conduct<sup>11</sup>.

While there has been sustained growth in workforce numbers in the community services sector, particularly following the introduction of CDC and the National Disability Insurance Scheme, a challenge for many service providers has been finding people with the orientation and values needed to deliver quality, person-centred support<sup>12</sup>. UnitingCare Australia advocates for the adoption of the values-based employment model across the community and social services sector as the most effective means through which to a quality, committed and supported workforce.

UnitingCare Australia has been working in partnership with the Australian government and UnitingCare service providers across the country to implement a national values-based employment model since 2015. As an employment pathway model, the *UnitingCare Employment Project* selects, trains, mentors and supports people who have been long-term unemployed into jobs with UnitingCare organisations in the community service areas they deliver.

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<sup>11</sup> Australian Public Service Commission. 2015. *Values-based work*. Available at: <http://www.apsc.gov.au/publications-and-media/current-publications/human-capital-matters/2015/values-based-work>

<sup>12</sup> Based on the experience of UnitingCare organisations, but also see: NDS. 2017. *The Values Based Recruitment Toolkit*. Available at: [https://www.nds.org.au/images/resources/VBRT/Modules/NDS\\_VBRT\\_Module\\_1.pdf](https://www.nds.org.au/images/resources/VBRT/Modules/NDS_VBRT_Module_1.pdf)



The model is implemented with an emphasis on attracting job seekers with attitudes and values that align with UnitingCare organisations to enable delivery of quality care work. Values-based recruitment is prioritised over candidate selection on the basis of prior qualifications and skills. Rather, jobseekers are trained and skilled through a comprehensive pre-employment program, equipping them with the on-the-job and formal qualifications and the training that they require to undertake employment in a care support environment.

In accordance with the model, service provider organisations (the employer) must be able to guarantee a job for every participant they select, guaranteeing a minimum number of hours per week and the program intake at each location is restricted to a number that each provider can practically employ and train in a single intake. Provision of mentoring and other supports are mandatory components of the model that must be resourced and delivered to ensure adequate support for jobseekers.

UnitingCare Australia strongly endorses the values-based recruitment model as an effective means of recruiting a quality workforce, and providing the supports required by jobseekers to enable them to succeed in employment. As the target cohort of UnitingCare's model, values-based recruitment provides a particularly effective model for the most disadvantaged jobseekers to enter meaningful and sustained employment, providing full opportunities to training, mentoring and support, and flexible employment opportunities in a high-demand sector. This is in a sector that currently reports challenges in attracting and retaining staff<sup>13</sup>.

In their pilots, the UnitingCare projects delivered the following outcomes<sup>14</sup>:

- The program achieved an overall retention rate of 85% from the point of recruitment to employment after three months.
- Thirty-nine people completed training and supported workplace experience through the WED project.
- Thirty-six people signed contracts with employers as disability support workers, home care workers or aged care personal carers at the completion of training.
- Twelve additional candidates were offered access to alternative training/work experience programs as pathways to work (the Skilling Queenslanders for Work program and the National Work Experience Program), and an additional four were invited to participate in a direct employment process (via interview).
- Participants identified numerous other significant benefits from participating in the program, including: feeling more capable and having an increased sense of pride in themselves; increased social connection, increased self-worth and confidence; all leading to improvements in their overall mental health and happiness. They also felt the program supported them to be good role models for their children.

UnitingCare advocates the need for government to support adoption of the values-based recruitment and employment pathway models across industries, and acknowledges initiatives such as *Launch into Work* that make provision for this. We commend the *Launch into Work* model in utilising a co-designed approach, involving employers, jobactive

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<sup>13</sup> See Department of Social Services. National Analysis of workforce trends in statutory child protection. Available at: [https://www.dss.gov.au/sites/default/files/documents/11\\_2012/national\\_statutory\\_child\\_protection\\_analysis\\_oct\\_4.doc](https://www.dss.gov.au/sites/default/files/documents/11_2012/national_statutory_child_protection_analysis_oct_4.doc) and UNSW, Social Policy Research Centre. 2017. *Workforce Issues in the NSW Community Services Sector*. Available at: [https://www.sprc.unsw.edu.au/media/SPRCFile/Workforce\\_Issues\\_in\\_the\\_NSW\\_Community\\_Services\\_Sector\\_FINAL.pdf](https://www.sprc.unsw.edu.au/media/SPRCFile/Workforce_Issues_in_the_NSW_Community_Services_Sector_FINAL.pdf)

<sup>14</sup> Additional information from the evaluations of the pilot UnitingCare Employment Projects are available upon request.



providers, registered training organisations and other stakeholders to ensure both employer and job seeker needs are met<sup>15</sup>.

### **Basic income alternatives**

UnitingCare Australia supports the need for stronger Government endorsement of initiatives that can facilitate increased employment in limited markets. Particularly in remote and regional communities where economies may be stagnant, we forward the need for consideration of alternative income support models, such as Basic Income, to stimulate local economies and increase the prospect of employment opportunities.

We note that the model of Basic Income is not new, and has previously been implemented in indigenous communities in Australia through the now defunct Community Development Employment Projects (CDEP) scheme. CDEP, introduced in 1977 was an innovative employment and community-building model that saw notional welfare entitlements pooled to provide funds to pay people for part-time work<sup>16</sup>. Under the scheme, funding was allocated to CDEP organisations for wages for CDEP participants at a level similar to, or a little higher than, income support payments<sup>17</sup>. The scheme also made provision for administrative and capital support, used as a means to provide employment, training, activity, enterprise support, or income support to Indigenous participants<sup>18</sup>.

Evaluations of the CDEP model indicate that the scheme was successful in generating positive economic and community development outcomes at minimal cost to the Australian taxpayer<sup>19</sup>.

We recommend the piloting (and reapplication) of basic income models such as CDEP, in its original iteration, to mitigate the complex challenges of unemployment facing many indigenous and remote communities. We reiterate the need for considerations of the social determinants of health related to employment, and subsequently highlight the potential benefits of such models in improving both individual and community health, wellbeing and economic prosperity.

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<sup>15</sup> Commonwealth Department of Jobs and Small Business. 2018. *Launch into Work Program*. Available at: <https://www.jobs.gov.au/launch-work-program>

<sup>16</sup> Australian Bureau of Statistics. 2011. *Community Development Employment Projects*. Available at: <http://www.abs.gov.au/ausstats/abs@.nsf/Products/6287.0~2011~Chapter~Community%20Development%20Employment%20Projects%20%28CDEP%29>

<sup>17</sup> Ibid.

<sup>18</sup> Altman, Jon and Matthew Gray. 2005. *The CDEP scheme: A Flexible and innovative employment and community development program for Indigenous Australians*. Available at: [http://caep.cass.anu.edu.au/sites/default/files/docs/TI2005\\_6\\_Altman\\_Gray\\_CDEP\\_0.pdf](http://caep.cass.anu.edu.au/sites/default/files/docs/TI2005_6_Altman_Gray_CDEP_0.pdf)

<sup>19</sup> Altman, Jon and Matthew Gray. 2005. *The Economic and Social Impacts of the CDEP Scheme in Remote Australia*. Australian Journal of Social Issues 40(3).





## Conclusion

UnitingCare Australia commends the Committee's investigation of the important issue of future work and the experience of workers into the future.

We reiterate the need for Government to be support and resource innovative solutions to test models aimed at overcoming workforce and employment challenges into the future, such as those forwarded in this submission.

We thank the Committee for its consideration of the feedback provided and invite the opportunity to comment further on any of the issues raised in this submission.

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*UnitingCare Australia is the national body for the UnitingCare Network, one of the largest providers of community services in Australia. With over 1,600 sites, the network employs 40,000 staff and is supported by the work of over 30,000 volunteers. We provide services to children, young people and families, Indigenous Australians, people with disabilities, the poor and disadvantaged, people from culturally diverse backgrounds and older Australians in urban, rural and remote communities.*

*UnitingCare Australia works with and on behalf of the UnitingCare Network to advocate for policies and programs that will improve people's quality of life. UnitingCare Australia is committed to speaking with and on behalf of those who are the most vulnerable and disadvantaged.*