



care DIGNITY
respect
change HOPE

**Submission to the
Senate Select Committee
on Job Security**

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About Anglicare Australia

Anglicare Australia is a network of independent local, state, national and international organisations that are linked to the Anglican Church and are joined by values of service, innovation, leadership and the Christian faith that every individual has intrinsic value. Our services are delivered in partnership with people, the communities in which they live, and other like-minded organisations in those areas. With a combined income of over \$1.94 billion, a workforce of over 11,000 staff and 6,000 volunteers, the Network delivers more than 50 service areas in the Australian community. Our services are delivered to over 474,00 people and reach close to 1.37 million Australians in total. In all, Anglicare services reach over 1 in every 19 Australians.

As part of its mission the Anglicare Australia Network “partners with people, families and communities to provide services and advocacy and build resilience, inclusion and justice.” Our first strategic goal charges us with reaching this by influencing “social and economic policy across Australia with a strong prophetic voice; informed by research and the practical experience of the Network.”

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Introduction

Anglicare Australia appreciates the opportunity to contribute to the Senate Select Committee on Job Security. Our network knows the importance of work for the people and communities who depend on our services. Each year, our members support 11,300 people a year with employment and training programs, helping them to find or prepare for work. Our agencies also support people in crisis who have lost work, or who do not have enough work or income to get by. Over 100,000 people each year use emergency relief and financial counselling services provided by the Anglicare Australia Network across the country.

What we are seeing in our work, and in our research, is a disconnect between the experiences of the people we work with and the mainstream commentary about jobs. There are not enough jobs for people with barriers to work, with entry-level vacancies declining each year. In spite of the rhetoric about Australia's miraculous jobs recovery, nearly two million people are either unemployed or underemployed at the time of writing. Many more are in insecure work. This has been a long-term trend that has been exacerbated by the Coronavirus pandemic and downturn.

For many Australians, the past year has worsened the obstacles they face in finding work. For example, the lack of jobs will see more people spend time outside the workforce if they lose their job, and fewer young people will be able to get a foot in the door. As governments now focus on economic recovery, it is more important than ever to help those with barriers to finding work.

Anglicare Australia is calling for an overhaul of employment services, which are failing to place Australians in need into work. Mutual obligation has failed to make an impact on employment, and for many people, it acts as a barrier to finding secure work. We also recommend investment in supported work places, and a plan for direct job creation. These changes are critical to ensuring that those who need work stand a chance at finding it – and that they are not needlessly punished along the way.

The impact of a changing workforce

Work in Australia is changing. People are working longer and retiring later. As the economy changes, some jobs are disappearing altogether. At the same time, casual and insecure is increasing. Australia now has the highest rate of temporary work of any OECD country.ⁱ For the first time, less than half of all employed Australians are in full-time work. Around one in four are working casually.ⁱⁱ

People with barriers to work, especially those seeking entry-level jobs, are bearing the brunt of these changes. These are people who are looking for work, but who might not have education or recent work experience. Our most recent Jobs Availability Snapshot, released in October, shows a grave situation for people facing these barriers. In our sample month, eight of these jobseekers were competing for each entry-level job.ⁱⁱⁱ In some parts of the country that number is as high as 20 – and this assumes those jobseekers are competing only with each other. If all jobseekers are included, there are a staggering 106 jobseekers for each entry-level job.^{iv} Many of the jobseekers we look at in our Snapshot are older people, who have been left out of the JobMaker scheme announced as part of the last Budget. On top of that, 1.63 million people were underemployed in our Snapshot month. They could also be competing for these jobs.

At the same time, more and more jobs are being aimed at people with advanced skills. Each year, our Snapshots find that more and more vacancies are calling for a degree or at least five years' work experience. This paints a dark picture for those without work experience, education, or who have been without work for a long time.

Young people are among those who face the greatest barriers to enter the workforce, and are more likely to end up in insecure work when they do. While young people are more educated than ever before, they are more than twice as likely to be unemployed compared with other workers. Unemployment, especially youth unemployment, is especially high in regional and remote areas. Casual and insecure work is also a particular problem for young people, with only half of young Australians gaining full time work by the age of 25.

Many young people face major barriers in simply entering the workforce. Over half of employers consider experience to be essential for lower skilled vacancies, yet many lack recent experience. This is highlighted by the Brotherhood of St Laurence's most recent Youth Employment Monitor. It found that youth unemployment hit a 23-year high in 2020, and that underemployment among young people is now at record levels. After peaking at 16.4 percent in June, youth unemployment remained high at 15.6 percent at the end of the year, with 337,224 young people unable to find work.^v

Marginal jobs growth since lockdowns ended in most states has largely been in part-time work, leading young people into an increasingly part-time, casual and insecure workforce. 1 in 3 young people unable to get enough work.^{vi}

These issues are not limited to young people. Older workers who also struggle to return to the workforce if their previous jobs are not considered relevant, or if there has been a gap in their work history.^{vii} Increasingly we are seeing that this situation describes older women trying to re-enter the workforce.

Older people who have been in insecure work typically have very little superannuation to rely on^{viii} and are more likely to use their holidays for medical procedures because they have no leave. The Parliamentary Budget Office recently found that JobSeeker is acting as a 'pre-age pension' for many older people, especially women, who have become the face of JobSeeker as they try to overcome barriers to finding work.^{ix} Around half of all people now on JobSeeker are mature age jobseekers, and the number of older Australians on JobSeeker is growing by 10,000 a year.^x

These circumstances cause extreme stress, where people trying to navigate their financial situation and battle on with a sick body watching the days of the calendar tick over. The stress that this financial insecurity causes can exasperate other issues they face as they age.

Each of these cohorts faces difficulties in finding work, and many who do end up in insecure work. Many of those who come to Anglicare Australia for help are employed in precarious arrangements such as casual work and fixed-term contracts, while others move between roles through labour-hire companies. They earn low wages and receive few or no entitlements such as paid leave. Some do not know what hours they will work from week to week, and most are rarely offered training through work. They may shift between periods of unemployment or underemployment, which can stop them for planning for their future or saving.^{xi}

The failure of mutual obligation

The JobSeeker payment is the main income support payment that people seeking work, or in insecure work, receive. People under specified income and assets thresholds are expected to participate in 'mutual obligation' requirements to search for jobs and undertake other required activities, unless they are exempt. These requirements force people to look for jobs that don't exist and have created an extraordinary level of distress for people in hardship.

The mutual obligation approach is underpinned by the assumption that there is work to be found. Yet there are consistently many more people looking for work than there is work available.^{xii} A growing share of JobSeeker recipients – two thirds in 2019 compared to half in 2007 – have been on the payment for more than a year, and a growing share does not have full capacity to work.^{xiii} For people who can work, the end of the Australian Government's JobKeeper program will create further competition for limited jobs. Treasury estimates that between 100-150,000 people will lose their jobs as a result of JobKeeper being wound up.^{xiv} The current employment environment is much better suited to employers than employees.

Mutual obligation has actually been found to prevent people from securing and retaining work, particularly if a job is casual.^{xv} Instead of supporting the people that it's supposed to help, it is subjecting them to pointless tasks that do not help them find work. At best it gets in the way of other activities that are more productive and useful. At its worst, it punishes people for minor errors – or for no reason at all.

At the same time as obligations are being expanded, Australia's safety net is being more and more tightly targeted by the Government. This approach is most clearly seen in the privatised Jobactive network, which has been breaching people carelessly and arbitrarily as part of a policy based around demerits and penalties.^{xvi} These policies assume that people are responsible for their own exclusion, and that there are enough suitable jobs for those who need them.

A penalty is not a job: Jobactive is not working

There is widespread anecdotal evidence of Jobactive system errors showing that many people are being penalised without having done anything wrong, and suggesting that many are unfairly enduring a loss of income as a result of a flawed system.^{xvii} Some reported being breached for missing appointments that had not even happened yet. Others were breached after Jobactive providers refused to reschedule appointments that clashed with training, job interviews, or even casual work. This is a microcosm of a unique aspect to Australia's social security system – the punishment of people for flawed, mistake-prone systems.

Put simply, breaching someone does not help them gain a job. Yet over the last two decades successive Governments have made receiving welfare far more conditional. At the same time, they have moved to limit the assistance offered to people who are unemployed.

Government aims with these conditional welfare reforms have been to 'incentivise' people into paid employment. The increased obligations and sanctions are intended as a 'stick' to motivate this behaviour. But the evidence shows that the vast majority of people receiving welfare already want to work, and are very motivated to find it. This was firmly expressed by the Government appointed Employment Services Expert Advisory Panel in their report,^{xviii} developed in close consultation with people receiving unemployment payments.

The problem is not motivation. There are simply not enough suitable jobs for people who need them. The Jobactive system is failing in its mission to give them support. It is time to stop punishing people for system failures, and instead focus on the obligations of the Government to take care of its citizens and ensure they have the opportunity to work.

What can be done: Fixing a broken system

Unemployment, and underemployment, have been persistent issues for years. Yet these issues are becoming more pronounced, and the pace of change in recent years has been great. At the time of Anglicare Australia's 2019 Jobs Availability Snapshot, 1.16 million Australians were underemployed.^{xix} In the 2020 Snapshot, that number ballooned to 1.63 million.^{xx} Many more people are thought to be in precarious work arrangements. This cohort has been overlooked for years, and now, they are particularly vulnerable.

Urgent action is required to ensure that casual workers and those in precarious arrangements are not left out of the Government response to the pandemic. At the same time, longer-term consideration must be given to ensure work in Australia becomes more secure. This is critical to building resilience in the face of future downturns and crises.

Overhauling employment services

The Employment Services Expert Panel recently undertook a major review of Department of Employment programs, after collecting substantial evidence from service providers and users, peak bodies and labour market experts. Its report recommends major changes to Jobactive and other services when the current finding round ends. The bushfires, followed by the Coronavirus pandemic and higher rates of unemployment, have disrupted these plans. However, they have also underscored the need for major reform of employment services along the lines proposed.

In consultation with service providers and users, peak bodies and experts, Anglicare Australia calls for elements of the New Employment Services model proposed by the Expert Panel to be brought forward in response to the major restructure of employment and higher employment we now face. These changes include:

- ending excessive compliance and penalties, both for people who are unemployed and providers;
- two streams of service, a digital service and an enhanced face-to-face service;
- purchasing arrangements that provide more funding in advance (as distinct from outcome payments), facilitate specialist and locally-based providers, and reduce caseloads; and
- an enhanced Employment Fund to assist with investments to overcome barriers to employment.

With unemployment and underemployment likely to persist in the coming years, these changes will be crucial to supporting people as they seek to re-enter the workforce.

Recommendation: New Employment Services model

In response to current disruptions to employment and higher education, Anglicare Australia recommends that key elements of the New Employment Services model be brought forward.

Shaping the future workforce

With so many Australians unemployed or underemployed, and rapid shifts in the structure of work (for example, due to partial recovery), the jobs available after the pandemic will be different to those prior to the lockdowns. As well as generating more jobs through economic stimulus measures, the Government and its partners must carefully manage this adjustment in the labour market to smooth the necessary adjustments to jobs and skills.

Even before the pandemic struck, it was clear that the job market was not delivering for those facing the greatest barriers to work. Without action, this situation is likely to deteriorate further as we enter the recovery period.

Government intervention must now move away from failed policies that force people onto an endless hamster wheel of job searching and obligations unlinked to real job prospects. Indeed, a recent Anglicare Australia survey showed that the overwhelming majority of jobseekers found that their obligations and activities were pointless and failing to lead them to work.^{xxi} Instead, we need to drastically overhaul employment services and create activities that actually lead to work. The same survey showed that three quarters of jobseekers want to participate in activities that actually lead to work.^{xxii}

We must also ensure that people already working regular hours in long-term positions are given the benefits of permanent employment, instead of being stuck in casual arrangements. Anglicare Australia notes that this principle was recently recognised by the Federal Court of Australia in its landmark ruling on casual entitlements. Reducing the number of people in insecure and precarious work will mean that Australians are better equipped to weather future downturns – and that more Australians will have a decent standard of living.

Recommendations: Shaping the future workforce

Anglicare Australia recommends:

- an investment in supported work placements, especially those that include tangible training opportunities;
- a response to the recent Federal Court decision which explores pathways to permanent employment for casual workers in long-term positions with regular hours.

From Mutual Obligation to Job Creation

The industries we work in and that our clients wish to work in have much untapped potential for job creation. The Government has shied away from direct job creation, treating it as the work of the private sector. Yet direct job creation remains the best way to offer pathways for people with barriers to employment.

The Brotherhood of St Laurence, a member of the Anglicare Australia Network, is an expert in developing job creation programs for young people and those with barriers to employment. They have shown that job creation is possible, and has enormous benefits for people who have found it the

hardest to get work. Their work also shows the advantages of both systems wide and place-based approaches. They have put forward a proposal for a national skilled pathway into aged and disability care work. This pathway would be co-designed and trialled with people seeking such work, aged and disability care providers, training organisations and governments. It can be trialled in some of the areas hardest hit with persistently high unemployment, now exacerbated by the recession.^{xxiii}

The Royal Commission into Aged Care Quality and Safety recently signalled a major need to increase the aged care workforce, and ensure it provides proper training and careers for workers. It noted that casually employed carers can struggle “to provide continuity of care and form ongoing relationships with older people” and that the system would function best if moved away from this.^{xxiv} Of course, care work is not the only sector in Australia where there is considerable future demand for workers, or opportunities could be created. Other organisations have identified other areas for jobs creation and growth in Australia, such as manufacturing. In smaller communities too, especially those recovering from disasters, there is the potential to support local businesses, councils, and people to work together to create the right jobs.^{xxv} It is also important to ensure that any jobs that are created in the sector are secure, rather than adding to the problem of highly casualised work in human services.

Attached to this submission at **Attachment A** and **Attachment B** are Anglicare Australia’s Jobs Availability Snapshots from 2017 and 2020, which feature examples of job creation across our network and our sector. These could serve as useful blueprints for government job creation programs.

Recommendations: Investing in job creation

Anglicare Australia recommends a plan for job creation beyond the pandemic. Anglicare Australia’s annual Jobs Availability Snapshot has had a particular focus on job creation, and includes several examples of successful programs.

Conclusion

The issues that Anglicare Australia has raised in our submission are not new. There are not enough jobs for people with barriers to work, with entry-level vacancies declining each year. Millions of people are unemployed or underemployed. Many more are in insecure work. These have been long-term trends that have been exacerbated by the recent economic downturn.

As we enter a critical phase in our nation's recovery, we have an opportunity for change. The Government's own review of employment services, whose policy recommendations mirror ours, gives us cause for some hope. Now is the time for concrete commitment for reform. Even better would be to see it matched by a bold commitment to end failing approaches on punishment and obligation, and funding government-led jobs creation.

It is not a question of choosing between funding and economics, because the economic return of supporting people into work benefits all of us. It is a question of action, and what our collective dream for a better society looks like. Surely it is one that values the contribution of every person, supports us all to build our capabilities, and offers opportunities to everybody who wishes to work. Our hope is that this Inquiry, and the Government's response, will lead to actions that can make that dream a reality.

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- ⁱ Carney, T., and Stanford, J. (2018) [The Dimensions of Insecure Work](#).
- ⁱⁱ Parliamentary Library (2018) [Characteristics and use of casual employees in Australia](#).
- ⁱⁱⁱ Anglicare Australia (2020) [Jobs Availability Snapshot](#).
- ^{iv} Ibid.
- ^v Brotherhood of St Laurence (2020) [Youth Employment Monitor](#).
- ^{vi} Ibid.
- ^{vii} Op cit: iii
- ^{viii} McKell Institute (2019) [Understanding Insecure Work in Australia](#).
- ^{ix} Parliamentary Budget Office (2020) [Jobseeker Payment: Understanding economic and policy trends affecting Commonwealth expenditure](#).
- ^x Anglicare Australia (2019) [Jobs Availability Snapshot](#).
- ^{xi} Howe, B. (2013) [Life on edge as new divide ignored](#). The Conversation.
- ^{xii} Op cit: iii
- ^{xiii} Op cit: ix
- ^{xiv} [Opening statement - Economics Legislation Committee | Treasury.gov.au](#)
- ^{xv} Anglicare Australia (2017) [Jobs Availability Snapshot](#).
- ^{xvi} Education and Employment References Committee (2019) [Jobactive: Failing those it is intended to serve](#).
- ^{xvii} Anglicare Australia (2020) [Asking Those Who Know](#).
- ^{xviii} Commonwealth of Australia (2018) [I Want to work – Employment Services 2020 Report](#).
- ^{xix} Op cit: x
- ^{xx} Australian Bureau of Statistics (2020) [Labour Force, Australia, July 2020](#).
- ^{xxi} Op cit: iii
- ^{xxii} Ibid.
- ^{xxiii} Op cit: iii
- ^{xxiv} Royal Commission into Aged Care Quality and Safety (2021) [Final Report: Care, Dignity and Respect](#).
- ^{xxv} Op cit: iii