Sustainable employment for disadvantaged jobseekers

VCOSS Submission to the Parliament of Victoria’s Economy and Infrastructure Standing Committee Inquiry

August 2019
The Victorian Council of Social Service is the peak body of the social and community sector in Victoria.

VCOSS members reflect the diversity of the sector and include large charities, peak organisations, small community services, advocacy groups and individuals interested in social policy.

In addition to supporting the sector, VCOSS represents the interests of Victorians experiencing poverty and disadvantage, and advocates for the development of a sustainable, fair and equitable society.

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A fully accessible version is available online at vcoss.org.au/policy/

VCOSS acknowledges the traditional owners of country and pays respect to past, present and emerging Elders.

This document was prepared on the lands of the Kulin Nation.
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Executive summary

The Victorian Council of Social Service (VCOSS) is the peak body for social and community services in Victoria. VCOSS members reflect the diverse community services industry and include large charities, peak organisations, small community services, advocacy groups and individuals interested in social policy. VCOSS supports the industry, represents the interests of Victorians facing disadvantage and vulnerability in policy debates, and advocates to develop a sustainable, fair and equitable society.

VCOSS welcomes this opportunity to contribute to the Economy and Infrastructure Standing Committee’s inquiry, and commends the focus on sustainable employment.

Paid work plays a central role in the lives of many Victorians, providing the foundations for a good life. However, it is not the case that ‘any job is a good job’. For some Victorians, insecure or otherwise poor quality jobs perpetuate existing health, social and/or economic inequities, and do not provide a pathway out of disadvantage. Consequently, while VCOSS emphatically believes that employment is a key aspect of a ‘good life’ – a foundation stone for social and economic inclusion – it is important to recognise that for some of the most disadvantaged jobseekers, poor quality jobs are perpetuating or compounding their disadvantage, or precipitating disadvantage. The market cannot be relied on to fix these problems.\(^1\) Governments have a key role to play.

This submission identifies the types of jobseekers who experience disadvantage in the labour market in Victoria and key actions that can be taken by the Victorian Government to deliver on the promise that participation holds. There are six key themes underpinning this submission:

- People aspire to a ‘good life’ – not a life of disadvantage.
- Disadvantage results from an interaction of structural factors and individual experiences.
- Unemployment, underemployment and poverty are largely caused by structural factors over which individuals have no control. Governments have access to power, legislative, regulatory and policy levers, and other tools and resources that can mitigate, moderate or otherwise influence these structural factors.
- Policies and programs targeted to disadvantaged jobseekers should not punish people for their circumstances. The most impactful approaches build on people’s resilience and strengths, and provide individualised ‘wraparound’ support.
- Disadvantage is not a fixed state. There are opportunities to prevent labour market disadvantage, to act early on emerging risk factors, and to respond.
- Place-based strategies can empower people to develop and drive innovative community solutions to issues such as unemployment.

\(^1\) Anglicare, Jobs Availability Snapshot, 2017.
Summary of recommendations

Pursue economic development strategies that prioritise employment-intensive growth and yield jobs that can be filled by disadvantaged jobseekers

- Support place-based, integrated and collaborative employment and training partnerships in local areas to harness local employment, training, and social and economic development opportunities.
- Accord the Victorian community services industry ‘priority industry’ status and invest in initiatives that attract new workers to the industry and enable disadvantaged jobseekers to take advantage of the employment growth.
- Secure the community sector growth dividend, by boosting community sector pay and conditions, securing solid data to guide workforce planning, and growing community sector skills in the regions.

Build the skills and capabilities for working-age Victorians who face barriers to sustainable employment

- Maintain free vocational education for priority courses, aligned to industry need.
- Fund individualised supports for TAFE students who are at risk of disengagement.
- Commit ongoing funding for Jobs Victoria beyond the 2019-20 State Budget, to assist disadvantaged Victorians into work through the provision of targeted support services to jobseekers and employers.
- Provide funding to build and operate additional youth foyers, to open up education, training and employment pathways for young people with multiple and complex barriers to participation.
- Advocate to the Commonwealth for better and simpler pathways for people with a disability to access employment supports.
- Advocate for improvements to Commonwealth employment services and an increase to the Newstart allowance, so that jobseekers are well-supported to engage in job search.
Strengthen employment protections in the gig economy

- Work with the Federal Government to ensure Australia’s industrial relations system provides a framework of minimum rights and protections for all workers.
- Ensure all gig workers can access Victoria’s workers compensation scheme funded by the collection of premiums from online platform businesses.
- Ensure that all on-demand businesses comply with workplace health and safety laws, and that they are liable for any violations.
- Require all online platform businesses to list relevant union, commission, ombudsman and complaints authorities to report specific issues (e.g. abuse, sexual harassment) or query work conditions (e.g. underpayment of wages).
- Resource community service organisations to assist and represent vulnerable workers in the gig economy to navigate complaints systems.

Leverage universal platforms – particularly early childhood education and schools – to address early risk factors for employment disadvantage

- Ensure all children have access to early childhood education.
- Make public education affordable for every Victorian family.
- Provide more timely and holistic early intervention for children and young people who are at risk of leaving school without a qualification.
- Support the learning needs of children and young people with a disability.
What do we mean by ‘sustainable employment’ and why does ‘sustainability’ matter?

Paid work plays a central role in the lives of many Victorians, providing the foundations for a ‘good life’. However, it is not the case that ‘any job is a good job’.

A rich body of literature, including data from the Household, Income and Labour Dynamics in Australia (HILDA) Survey, shows that being in a “poor quality” job is “unambiguously” worse than unemployment\(^2\) in terms of psychological wellbeing. Mental illness is estimated to cost the Australian economy up to $60 billion per year\(^3\). Victoria’s Royal Commission into Mental Health recently heard that this includes an estimated $11 billion in lost productivity because of businesses failing to put measures in place to protect their workers’ mental health.\(^4\)

There are a range of factors that influence job quality.

These factors include the degree to which a job promotes “control, autonomy, challenge, variety and task discretion”\(^5\). Another dimension of poor quality employment is insecure work that provides workers with little economic security. This is a key lens that VCOSS applies in this submission.

Insecure work is characterised by “unpredictable and fluctuating pay; inferior rights and entitlements; limited or no access to paid leave; irregular and unpredictable working hours; a lack of security and/or uncertainty over the length of the job; and a lack of any say at work over wages, conditions and work organisation”\(^6\).

It is most commonly associated with casual work, seasonal work, fixed-term contracts, independent contracting and labour hire. Digital platforms have facilitated an increase in the number of independent contractors and casual employment in the ‘on-demand’ or ‘gig’ economy.

VCOSS acknowledges that there are workers who choose to pursue these forms of employment and derive economic and other benefits from such arrangements.

Additionally, these forms of employment (particularly ‘gigs’ in the on-demand economy) have lowered the barriers to entry for some people who have an inconsistent work history, mental or physical health issues, caring responsibilities or other challenges, opening up new opportunities and potential pathways.

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\(^2\) S Bevan, ‘Any job isn’t necessarily a good job for people out of work’, The Conversation, 15 December 2014
\(^3\) Royal Australian and New Zealand College of Psychiatrists, The economic cost of serious mental illness and comorbidities in Australia and New Zealand, 2016
\(^4\) B Hall, ‘Mental health failures cost $60 billion a year, royal commission told’ in The Age, 4 July 2019
\(^5\) S Bevan, ‘Any job isn’t necessarily a good job for people out of work’, The Conversation, 15 December 2014
\(^6\) Lives on Hold, Unlocking the potential of Australia’s workforce: Independent inquiry into insecure work, commissioned by the Australian Council of Trade Unions, 2012
However, it is also important to note that:

- For the most disadvantaged jobseekers (i.e. those with the highest barriers to employment), insecure forms of employment can be a ‘forced choice’, given:
  - There is only one job available for every five people looking for paid work in Australia. In this environment, the “option of ‘holding out’ for a permanent job looks increasingly risky as these opportunities dwindle”.  
  - Roughly 40 per cent of all jobs in Australia are now “non-standard” (i.e. “multi-party employment relationships, dependent self-employment and various forms of non-permanent employment arrangement”).  
  - Newstart and other allowances fail to provide jobseekers with the minimum income required to achieve a basic standard of living while they look for work.
- For some Victorians, insecure or otherwise ‘poor quality’ jobs perpetuate existing health, social and/or economic inequities and do not provide a pathway out of disadvantage. Australia has seen growth in ‘in-work poverty’. ACOSS poverty research shows that one-in-eight Australian adults and more than one-in-six Australian children are living in poverty. While the group of people experiencing poverty the most are, unsurprisingly, those relying on government income support (such as Newstart and Youth Allowance), wage-earning households form a substantial proportion (38 per cent) of all people in poverty. The most recent Census identified almost 30,000 people in Australia who are unemployed but homeless – almost one-third of the entire homeless population.

Consequently, while VCOSS emphatically believes that employment is a key aspect of a ‘good life’ – a foundation stone for social and economic inclusion – it is important to recognise that for some of the most disadvantaged jobseekers, poor quality jobs are perpetuating or compounding their disadvantage, or precipitating disadvantage. The market cannot be relied on to fix these problems. Governments have a key role to play.

This submission identifies the types of jobseekers who experience disadvantage in the labour market in Victoria and key actions that can be taken by the Victorian Government to deliver on the promise that participation holds.

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7 J Healy & D Nicholson, ‘The costs of a casual job are now outweighing any pay benefits’ in The Conversation, 4 September 2017
8 Australian Council of Trade Unions, Australia’s insecure work crisis: changing it for the future, 2018
10 Australian Council of Social Service and UNSW Sydney, Poverty in Australia Report, 2018
11 Ibid.
12 A. Bruce-Smith, ‘Employed but homeless, thousands of Australians stuck in a ‘crazy cycle’’ in 10Daily, 1 August 2018
13 Anglicare, Jobs Availability Snapshot, 2017
Which groups experience disadvantage?

Not every Victorian has the security of stable employment. There are high rates of unemployment and underemployment concentrated in some groups. Nationally, there is a continued rise in long-term unemployment across Australia, again with some groups more at risk than others.

These groups include:

- Young people
- People who have been early school leavers
- Aboriginal people
- People with disabilities
- Single parents
- Older people
- People from culturally and linguistically diverse communities
- Rural, regional and urban fringe communities
- Carers
- People who have a criminal record
- People with enduring health issues, including people with drug and alcohol or chronic health conditions.

Victoria can improve opportunities and outcomes for disadvantaged jobseekers by:

- Pursuing economic development strategies that prioritise employment-intensive growth and yield jobs that can be filled by disadvantaged jobseekers
- Building the skills and capabilities of working-age Victorians who face barriers to sustainable employment.
- Strengthening employment protections in the gig economy.
- Leveraging universal platforms – particularly early childhood education and schools – to address early risk factors for employment disadvantage.

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14 VCOSS recognises that the Commonwealth Government also has a key role to play, and that a range of policy levers reside with the Commonwealth.
Pursue economic development strategies that prioritise employment-intensive growth and yield jobs that can be filled by disadvantaged jobseekers

**Recommendation**

- Support place-based, integrated and collaborative employment and training partnerships to harness local employment opportunities

Place-based strategies have the power to deliver local solutions to local problems, such as unemployment.

They can empower people to develop and drive their own innovative community solutions, and integrate them successfully over the long term. They help build stronger communities that are better equipped to overcome entrenched poverty and disadvantage, in places where it has built up over generations.

There are many things the Victorian Government can do to help develop place-based approaches across the State, including funding approaches through a social innovation fund, consulting to develop a shared vision, developing a focus on place, taking a long-term view, supporting local initiatives with social procurement and workforce training, consulting on service selection and measurement options, and sharing data.

This includes targeted strategies and associated investment in locations where jobs are scarce (for example, areas directly impacted industry restructures).

**Recommendation**

- Accord the Victorian community services industry ‘priority industry’ status

Underlying shifts in the economy are making it difficult for some groups to find jobs. The Victorian Government can play a role through policies that focus on skills and the supply of labour. The community services industry provides a unique opportunity for government to ‘join the dots’ between a number of strategic policy priorities, and link people and places impacted and disadvantaged by structural unemployment to sustainable employment going forward.

The community services industry – the State’s fastest-growing industry – is creating the jobs of the future right now. Exponential employment growth is expected to continue with the full rollout of the National Disability Insurance Scheme, government responses to the royal commissions into Family Violence, Mental Health, Aged Care and Disability, and the needs of an ageing and growing population.

Over the next five years, the health and social assistance industry, in which community services are embedded, will add around 70,000 new jobs to the Victorian economy. In total, it will employ nearly half a million workers. Government policy and investment should recognise it as a ‘priority industry’.
Recommendation

- Secure the community sector growth dividend

The Victorian Government can secure the community sector growth dividend for disadvantaged jobseekers by:

**Boosting community sector pay and conditions**

Community services industry growth can only provide secure futures for Victorian workers if these new jobs offer decent pay and conditions. Victoria needs to fund community service employers to keep pace with wage and cost increases, and to avoid creating more insecure and low-paid jobs.

To achieve fair wages and conditions, community service organisations need a properly costed pricing and indexation framework that maintains fair funding levels. The industry is being squeezed by baseline funding increases of only 2 per cent each year, threatening job security and wage levels.

**Securing solid data to guide workforce planning**

Victoria can only plan for the future of community services job growth if it has a strong grasp of the data. But quality data is hard to find. Victoria is approaching a critical deadline to collect strong workforce data to synchronise with the coming jobs surge. By developing a meticulous workforce data compilation program, tracking change over time and in different industry segments, we can maximise the dividend from workforce growth.

**Growing community sector skills in the regions**

Victoria especially needs to construct a pipeline of qualified, professional community service workers in our regions, where skill shortages are most acute. These shortages are compromising regional service quality and stymieing jobs growth. Investing in local, community-led approaches can be effective to secure regional jobs and ensure our regions get equivalent services.
Build the skills and capabilities of working-age Victorians who face barriers to sustainable employment

Recommendation

- Maintain free vocational education for priority courses

Victoria can overcome the biggest barrier to people getting the skills needed for our future workforce by keeping free training in targeted vocational qualifications like community services. Cost is the biggest barrier for many students, especially those living in poverty. Waiving fees means more people can undertake courses and gain the skills for future success.

For the community services industry, Free TAFE is a welcome strategy to help grow the workforce and deliver on the promise of NDIS reform, family violence reform, aged care reform and mental health reform.

VCOSS notes that the community services industry has struggled to accommodate the substantial increase in student placements in the first year of implementation. This is not due to lack of industry support for Free TAFE, but rather an issue of capacity in a sector that is currently beset by workforce shortages, particularly in regional areas. It is a matter that can be resolved in partnership between the Victorian Government, the community services industry and the TAFE sector.

VCOSS believes that there is an opportunity to build industry capacity to host student placements by learning from and adopting measures from other industry projects, such as the ‘Enhanced Pathways to Family Violence Work’ project, which is funded by Family Safety Victoria. This project, which has just been extended for a second year, is providing participating organisations with dedicated Capability Building Coordinators, student placement tools, orientation to practice guidelines, staff training and professional development, flexible funding and other strategies to increase student placements and develop the family violence workforce. A number of these resources have been adapted from the Victorian public health system, which provides a high volume of student placements annually.

VCOSS also notes that public health services’ capacity to host student placements is bolstered by their ability to charge and receive a daily fee for each clinical placement they provide. The schedule for 2020 shows that a placement supervised by a nurse or midwife in 2020 will attract $62 per student per clinical placement day and a placement supervised by an Allied Health workers will attract $36.60 per student per clinical placement day.15

This is something that warrants further investigation for the community services industry.

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Free TAFE for priority courses is opening up new vocational pathways for disadvantaged jobseekers. VCOSS welcomes the recent announcement of $6 million to extend support services to assist TAFE students facing disadvantage, including new course materials to help students improve their time management, study skills and literacy.\textsuperscript{16}

People who have more complex or extensive support needs – for example, those experiencing mental illness or homelessness – would also benefit from more personalised, flexible and holistic ‘wraparound’ supports.

There are additional strategies that Government can invest in, to set students up for success and sustain their pathway to course completion and paid employment.

Model examples that Government can build on include:

- The scholarship program at the VCOSS-RMIT Future Social Service Institute (FSSI)\textsuperscript{17} – with the support of the State Government, FSSI has been providing scholarships to disadvantaged jobseekers to undertake the Certificate III in Individual Support (Ageing and Disability) at RMIT. In addition to free tuition, the program has provided students with access to flexible, wraparound support funds that have been used to successfully address personal barriers to attendance (for example, travel assistance).

- The Jobs Victoria Community Traineeships Pilot Program – the State Government has funded VCOSS and FSSI to design and deliver a new model of traineeships for the community services industry in 2019 and 2020. Two hundred (200) disadvantaged jobseekers under the age of 25, from Dandenong, Hume and Bendigo, will participate in the program, combining on-the-job learning (4 days per week) with one day a week on campus at TAFE, where they will undertake a Certificate IV in Community Services. Across Australia, the current completion rate for trainees is around 59 per cent. The pilot program is seeking to improve on that and set young people up for success by funding a number of innovations, including a two-week ‘pre-work intensive’ on campus during which time connection to peers, teachers and youth workers is strongly established; the provision of individualised support from dedicated senior youth workers; trainee access to flexible wraparound support funding to mitigate barriers to participation; a co-designed curriculum; and professional development for staff who manage trainees.

\textsuperscript{16} Premier of Victoria, Media Release Funding boost for free TAFE as enrolments soar, 6 August 2019

\textsuperscript{17} The Future Social Service Institute (FSSI) is a collaboration between VCOSS and RMIT University, supported by the State Government. It supports the not-for-profit social service sector and its workforce to be service-delivery leaders at a time of major growth and disruption.
Recommendation

- Commit ongoing funding for Jobs Victoria beyond the 2019-20 State Budget

Jobs Victoria is an exemplar for government employment services, and its funding should be sustained beyond the current State Budget commitment.

In its first three years of operation, Jobs Victoria has assisted almost 9,700 highly-disadvantaged jobseekers into work. Unlike equivalent Commonwealth programs, Jobs Victoria is focused on positive help rather than “benefit compliance”.

The non-punitive, ‘positive help’ underpinnings of Jobs Victoria has been a key factor in the success of Jobs Victoria to date. Another factor is the strong alignment between the needs and interests of disadvantaged jobseekers and Jobs Victoria industry partners, including members of the Jobs Victoria Employment Network.

Crucially, Jobs Victoria supports are tailored and scaled to people’s needs and interests and – importantly, as stated above – aligned with industries where there are jobs and genuine career pathways. They link with other services so people can access housing, health, and transport services holistically.

Jobs Victoria has been well and truly delivering for Victorian jobseekers and employers. VCOSS believes that recurrent funding for Jobs Victoria should be reflected from 2020-21 onwards.

Recommendation

- Provide funding to build and operate additional youth foyers

Foyers are integrated learning and accommodation settings for young people, typically aged 16 – 24 years, who are at risk of or experiencing homelessness. They aim to:

- Reduce the number of young people cycling through the housing and homelessness system
- Increase the number of young people completing education qualifications
- Increase the number of young people productively employed.

Multiple forms of the foyer model exist. In Australia, there are 15 foyer or foyer-like services. In Victoria, the most recent iteration of the model is the Education First youth foyer model. This model, run by the Brotherhood of St Laurence and Launch Housing with funding from the State Government, operates at three sites in Victoria.

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19 Australian Council of Social Service, ACOSS Submission on Future Employment Services, 2018
21 Ibid.
22 Ibid.

VCOSS submission to Inquiry into Sustainable Employment for Disadvantaged Jobseekers
Education First youth foyers prioritise education through their partnership with and location on sites of tertiary education institutions, the co-delivered Certificate I in Developing Independence, and the reciprocal ‘Deal’ agreement between participants and staff, in which young people agree to participate in education and five other Education First youth foyer service ‘offers’: employment, housing and living skills, health and wellbeing, social connections and civic participation. In return, foyer staff agree to provide participants with accommodation, opportunities and inclusion in a learning community for up to two years.23

A recently-published longitudinal study into Education First youth foyers found participants made strong gains in education qualifications and continued participation in education and training after exit.24 They had improved confidence in career management capability and transferable employability skills, with some gains in employment.25

Victoria is currently experiencing high rates of youth homelessness and youth unemployment. The State Government can provide funding to create additional youth foyers, as part of a multi-faceted strategy to creating pathways to sustainable employment for disadvantaged jobseekers.

**Recommendation**

- Advocate to the Commonwealth for better and simpler pathways for people with a disability to access employment supports

More than three million Australians are living in poverty and nearly 40 per cent of them have a disability. While the overall poverty rate in Australia is just over 13 per cent, people with a disability have a poverty rate of 17 per cent. This is mainly because most people with a disability are not working and are reliant on income support.26

Through the National Disability Insurance Scheme, Disability Employment Services (DES), Australian Disability Enterprises (ADEs), Centrelink, and other programs and initiatives, people with a disability may access:

- support to prepare for, find and keep a job
- assistance within the workplace for their daily needs
- contributions towards transport costs to and from work
- financial assistance to purchase work-related modifications and equipment
- payments for living costs through the Disability Support Pension (DSP) or Newstart.

However, the interface between these funding sources and programs is complex and unclear. Instead of providing positive pathways for jobseekers with disability, the range of programs, paperwork and eligibility criteria can contribute to greater confusion and additional barriers.

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23 M Coddou, J Borlagdan and S Mallett, 2019, Starting a future that means something to you: outcomes from a longitudinal study of Education First Youth Foyers, p.5
24 Ibid., p. 6
25 Ibid., p. 6
26 Australian Network on Disability, Media Release Three Million Australians Living in Poverty, nearly 40% have a disability, 18 October 2018.
Though these programs and initiatives are, in principle, designed to boost social and economic participation opportunities for people with disability, funding and outcomes data shows that progress remains stagnant, and in some cases is decreasing.

Of $3.8 billion in annual committed support for 64,738 Victorian NDIS participants, just 1.8 per cent of this funding is allocated towards capacity-building employment supports.\(^{27}\) While the number of NDIS participants in Victoria has increased substantially through the roll out of the scheme, the percentage of funding allocated for capacity-building employment supports is at its lowest level in two years.\(^{28}\) This is not good enough and should be the focus of continued advocacy by the Victorian Government.

Additionally, there is an urgent need for the Commonwealth Government to strengthen income support for people who need to access the social safety net.

### Recommendation

- Advocate for improvements to Commonwealth employment services and an increase to Newstart and related allowances, so that jobseekers are well-supported to engage in job search

Mutual obligation requirements compel many working-age Victorians who need Centrelink income support to engage with Commonwealth employment services.

The difference between the approach and impact of Commonwealth employment services and Jobs Victoria programs couldn’t be starker.

Commonwealth programs have a heavy focus on benefit compliance and relegate other dimensions of job search and placement.

In programs such as jobactive, being seen to be active is a “virtue” in itself, irrespective of whether it leads to a tangible outcome in regard to employment.\(^{29}\) Structural-level factors underpinning people’s experience of unemployment are ignored, and there is no alignment of these programs with industry needs.

Furthermore, marketisation has attracted ‘dodgy’ providers who game the system, cherry-picking well-educated, easy-to-place participants over jobseekers with more complex needs, who require more intensive support.

These programs are failing Victoria’s most disadvantaged jobseekers.

There is a role for the Victorian Government to play in advocating for improvements to the design of Commonwealth employment services for Victorians.

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\(^{27}\) NDIS COAG Disability Reform Council Performance Reports from March 2019
\(^{28}\) Review of NDIS COAG Disability Reform Council Performance Reports from March 2019 to December 2016
\(^{29}\) G Marston, J Zhang, M Peterie, G Ramia, R Patulny & E Cooke, ‘To move or not to move: mobility decision-making in the context of welfare conditionality and paid employment’, *Mobilities*, 2019
The Victorian Government can also advocate for the Commonwealth to raise the single rate of Newstart, Youth Allowance and related allowance payments by $75 per week, so that Victorians can meet basic living costs while they are searching for a job.

In doing so, the Victorian Government would be joining economists, industry leaders, social service groups, unions, and international bodies such as the OECD in calling out Newstart as manifestly inadequate and a barrier to finding work.
Strengthen employment protections for Victorians in the ‘gig’ economy

Recommendations

- Work with the Federal Government to ensure Australia’s industrial relations system provides a framework of minimum rights and protections for all workers.
- Ensure all gig workers can access Victoria’s workers compensation scheme funded by the collection of premiums from online platform businesses.
- Ensure that all on-demand businesses comply with workplace health and safety laws, and that they are liable for any violations.
- Require all online platform businesses to list relevant union, commission, ombudsman and complaints authorities to report specific issues (e.g. abuse, sexual harassment) or query work conditions (e.g. underpayment of wages).
- Resource community service organisations to assist and represent vulnerable workers in the gig economy navigate complaints systems.

The nature of employment has changed over the past few decades, with many Victorians now employed insecurely and increasing polarisation of employment into high-skilled, high-paying jobs, and low-skilled, low-paying roles. The promotion of independent contracting through the gig economy is an example of insecure work that has flourished in recent times, alongside rising casualisation, sham contracting and labour hire.

While this type of on-call, piece-based work is not new, existing policy, regulatory and enforcement frameworks at both a state and federal level have not kept pace with its growth, leaving many workers vulnerable to exploitation and insecure employment, and consumers at risk of poor services.

People in insecure employment generally experience less protection from termination, limited entitlements, and often receive lower pay. Working as independent contractors or casual employees, many gig workers are not covered by the 10 minimum entitlements under the National Employment Standards, which include annual leave, maximum weekly hours, sick leave, parental leave and notice of termination and redundancy pay.

The rise of the gig economy can also affect government revenue – for example, through inadequate and inconsistent collection of payroll tax from on-demand businesses, as well as injured workers falling back on the public health care system for medical treatment, or social security for income support. Concerns have also been raised with workers not paying the right amount of tax. A recent Black Economy Taskforce report recommends online platforms report data to the Australian Tax Office and other agencies.

Whilst much attention has focused on online platforms such as Uber, Deliveroo, Airtasker and Airbnb, the emergence of platforms in the health, social and community services sector is a newer phenomenon. Driven in part by government funding models, it has the potential to dramatically alter the relationships and delivery of quality care, particularly in aged and disability services.
This requires a more active response from governments to mitigate the risks and avoid creating an underclass of low-paid care workers, with no minimum employment entitlements. Given that the health and community sector is the fastest-growing industry, future risks are particularly high.

The Fair Work Act is the most prominent lever to strengthen employment protections for all workers. However, there are state policy levers to effect change, including legislation governing health and safety, workers compensation insurance, and training and qualifications.
Leverage universal platforms – particularly early childhood education and schools – to address early risk factors for employment disadvantage

**Recommendation**

- Ensure all children have access to early childhood education

The research is unequivocal about the positive, lifelong impacts of children’s participation in quality early childhood education for children. Up to 90 per cent of children’s brain development occurs in their first five years. Participating in high quality early childhood education strengthens children’s cognitive, social and emotional development, laying foundations for success in education, work and life. Children who attend at least two years of preschool perform better than their peers at age 15.

The Victorian Government’s rollout of universal, subsidised three-year-old kindergarten is a transformational reform that will help all Victorian children to have the best possible start in life. To realise the full promise of this investment, it will be important to co-design with communities targeted strategies that maximise three-year-old kindergarten take-up by children and families from disadvantaged backgrounds.

**Recommendation**

- Make public education affordable for every Victorian family

Families’ average annual out-of-pocket costs in Melbourne are $3,841 for a primary school child, and $5,368 for secondary school.

Free education is enshrined in Victorian law but this only covers the ‘standard education curriculum’. Schools can charge families for digital devices, school uniforms, textbooks, camps, excursions, elective subjects and speech or occupational therapy. Some schools also impose ‘voluntary’ fees.

When families cannot afford essential items, children and young people risk being excluded from the standard school curriculum and activities, increasing their risk of disengagement, behavioural issues, bullying, and poorer learning outcomes. This has flow-on effects for labour market participation later in life, including the ability to access sustainable employment.

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30 S Pascoe and D Brennan, Lifting our game: Report of the review to achieve education excellence in Australian schools through early childhood interventions, 2017, p. 15
31 OECD, Education at a Glance 2017: OECD Indicators, p. 261
32 ASG, ASG’s Education Costs Estimates – Metropolitan Victoria: Estimated schooling costs in 2019
33 The Smith Family, Education costs ‘unaffordable’ for Australians new survey, 15 January 2019
The Victorian Government can prevent this by fully funding schools to deliver the standard curriculum. Victoria’s real (in-school) expenditure per student in government schools is the lowest across the nation and substantially below the Australian average, by around $1,500.34

The Camps, Sports and Excursions Fund and State Schools’ Relief provide partial support for disadvantaged families. These programs can’t do everything but they do help: the Fund supports students from disadvantaged backgrounds to attend educational activities, and State Schools’ Relief helps families pay for school uniforms, shoes, stationary and books, supporting over 56,000 students in the last year.35 It recorded a 23 per cent increase in applications last financial year.36

Community sector organisations continue to be overwhelmed by requests for assistance with families’ educational and living costs, particularly at the start of the school year.37 Funding for the Camps, Sports and Excursions Fund and State Schools’ Relief is due to end in 2019. It should be permanently extended.

The Department of Education and Training should also continue to monitor schools’ implementation of the Parent Payment Policy guidelines so they are consistently applied, and families and students are not excluded from full participation.

Every child should be able to access and participate fully in a high quality education, regardless of how much their family can pay.

**Recommendation**

- Provide more timely and holistic early intervention for children and young people who are at risk of leaving school without a qualification

Education disengagement – including early school leaving – is often a precursor to poor life outcomes and long-term unemployment.38 Helping young people engage in education is critical and requires a suite of evidence-informed programs that focus on early intervention and reengagement.

VCOSS welcomes Victorian Government funding for programs and initiatives such as LOOKOUT, Springboard, Navigator, Reconnect, Local Learning and Employment Networks (LL ENs), School Focused Youth Service, the Education Justice Initiative and Hands on Learning.

There is an opportunity to make program eligibility more flexible – and, in some instances, broader – so that children and young people who require support are not arbitrarily excluded and don’t fall through service gaps. For example, lowering the age of eligibility for Navigator (the statewide intensive case management program) from 12 to 10 years would help more vulnerable children and young people to stay connected – or be reconnected – with school.

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34 Victorian Government, Department of Education and Training, Summary Statistics for Victorian Schools, July 2018
35 State Schools’ Relief, 2018 Annual Report
36 Ibid.
37 CIS Vic, Children suffer as families unable to pay school costs, Media Release, 12 February 2019
38 KJ Hancock and SR Zubrick, Children and young people at risk of disengagement from school, University of Western Australia, June 2015 (Updated October 2015), p. 5
More broadly, the Victorian Government can do more to support children and young people aged 8 to 12 to successfully transition between primary and secondary school. The ‘middle years’ have been identified as a “developmental switch point” and an ideal window to “set and reset developmental trajectories” in order to prevent problems and intervene early if they occur.\(^{39}\)

VC OSS would welcome a comprehensive transition framework spanning Grade 5 to Year 8, to help children prepare for and successfully navigate the transition to secondary school. This would include strategies to identify and respond to early warning signs of disengagement and strategies for engaging with families.

### Recommendation

- Support the learnings needs of children and young people with a disability.

Lack of opportunity in the education system – including discrimination – is a significant barrier to employment participation for people with a disability. While the number of Australian children and young people with a disability attending school has increased, national data shows a persistent gap between students with a disability and those without, notably in the attainment of Year 12 or equivalent, vocational education and training qualifications, and participation in university studies.\(^{40}\)

This compounds the disadvantage that people with a disability experience in the labour market later in life.

The State Government can give children with disability the best start in life by matching their learning needs with tailored funding.

Currently about 15 per cent of Victorian students require reasonable adjustments at school to participate on the same basis as their peers.\(^{41}\) However, under the current guidelines for the Program for Students with Disability (PSD), only four per cent of students qualify for specialist funding support.\(^{42}\) This means about 60,000 students are missing out on targeted funding that could maximise their learning.

Targeted funding means students with disability can access extra teaching supports, more tailored learning programs and specialised therapists and integration aides to support their learning and development.

A comprehensive 2016 review of the PSD recommended developing a new funding model based on a strengths-based functional needs assessment.\(^{43}\) In response, the Victorian Government announced a six-month pilot to develop a new strengths-based functional needs assessment to better understand the educational support needs of students with disability.\(^{44}\)

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39 L Mundy, ‘The importance of your child’s middle years’ in Pursuit, 13 February 2019
41 Victorian Government, Education State, Review of the program for students with disabilities, p. 30
42 Ibid. p. 61.
43 Ibid.
44 Victorian Minister for Education, Media Release World-Leading pilot for students with disabilities, 4 August 2018.
The Victorian Department of Education and Training has been trialling the new assessment in 100 primary, secondary, combined and specialist schools since June 2018. Based on these results, the Victorian Government can develop a new funding model to be rolled out to every school.