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Workplace Relations Framework Productivity Commission GPO Box 1428 Canberra City ACT 2601

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Anglicare Australia would like to put forward a number of preliminary issues to help guide the Commission in its deliberation of the Workplace Relations Framework as it relates to issues of social justice and community cohesion. Although not a large employer itself – the Anglicare Australia offices comprises six paid employees and one volunteer – the Anglicare network which includes around 40 member agencies employs 13,000 staff and 8,000 volunteers in its work to support roughly 600,000 Australians. For many of these individuals workforce participation and inadequate income are contributing factors to entrenched disadvantage.

The points that have been laid out below have been garnered from the experience and evidence of the Anglicare Australia network and relate most closely to the following terms of reference:

- unemployment, underemployment and job creation
- fair and equitable pay and conditions for employees, including the maintenance of a relevant safety net
- the ability of business and the labour market to respond appropriately to changing economic conditions patterns of engagement in the labour market
- the ability for employers to flexibly manage and engage with their employees

### 'Life-first' Approach

The culture around employment and participation privileges a 'work-first' approach to employment and training. However, a report developed for Anglicare Australia by the Australian Centre for Community Services Research shows that a 'life-first' approach, which focuses on the needs and aspirations of the individual, is far more effective for supporting people into sustainable employment.<sup>1</sup>

Supporting people into employment is not merely a matter of getting people jobs but rather a matter of generating meaningful employment for people and ensuring that they have the capacity to take up and <u>sustain</u> those opportunities.

<sup>&</sup>lt;sup>1</sup> Australian Centre for Community Services Research, 2014, *Beyond Supply and Demand: addressing the complexities of workforce exclusion in Australia*, Anglicare Australia: Canberra.



#### Transition into employment... and out again

Often the hard edges between income support and employment can be a barrier for people to seek out and sustain employment. Typically, the work that people who have experienced long periods of unemployment obtain is cyclic, of short duration and physical in nature. It is also likely to be low-paid with limited protections or benefits.<sup>2</sup> The conditions for accessing income support are such that moving off benefits makes it very difficult to return to receiving benefits once the employment period is over. In these situations taking up work is tantamount to a threat to life; a reality that the recent Welfare Review<sup>3</sup> seems to have touched upon with the Passport to Work which would allow income support recipients greater flexibility to return to income support should the work opportunity prove to be unsustainable as well as an individualised understanding of the monetary implications of work.

## One size fits all and the onus of participation

Workforce participation policy is largely predicated on the broad assumption that people are automatically in a position to choose whether to enter into employment or not. For many, particularly those marginally attached to the workforce or who are described as 'not in the labour force' for long periods, this is not necessarily the case. Each of them experiences their own barriers and limitations to entering into the workforce which may impede the ability to take up and sustain paid employment. What are required are the right individualised supports and a supportive system to guide people–people of all ages– through 'the system', allowing them to maximise the benefits of work.

#### Leadership and attitude adjustments

Government and business have a dual role to play in job creation itself and in influencing employers' and co-workers' attitudes towards employing people from groups that experience workforce exclusions—young people, people with disability, returning parents, Aboriginal people, people who have been long-term unemployed, etc.

There are a number of mechanisms through which this might be achieved given the will to do so. Anglicare Australia has suggested that employment services could adopt a work practice of collaborating with business and community sector partners to identify opportunities for welfare recipients, and provide a *line of sight* to stable employment through a process of step-migration and long-term flexible support which increase as the duration of income support increases. One mechanism Anglicare has suggested for this is the establishment of local employment committees auspiced by government and comprising local business representatives, social service agencies and other local representatives – with a view to identifying and providing local pathways into employment.

Government could also provide innovative incentives to employers to increase the demand for labour. For example, by broadening and increasing wage subsidy schemes; tax incentives for the long-term employment of a long-term unemployed person; tax incentives upon demonstration of skill development for an employee from a disadvantaged background. These could be in addition to those payment incentives within the Job Services Australia framework which have traditionally rewarded short-termism and churn but which should encourage longer term employment. In any

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<sup>&</sup>lt;sup>2</sup> Australian Council of Trade Unions, 2013, *Lives on Hold: Unlocking the potential of Australia's workforce*, Australian Council of Trade Unions: Melbourne.

<sup>&</sup>lt;sup>3</sup> A New System for Better Employment and Social Outcomes, Department of Social Services: Canberra.

event, a long-term approach to employment should enable the value to the employer exceed that of the start-up costs of a new employee.

The market is failing people who are excluded from the workforce and as such there is room for the government to intervene.

## Line of sight

Following on from the previous point, where support mechanisms are put in place they need to take into account a clear line of sight between the current activity, such as training and support, and employment prospects. They also need to be built upon *reliable* structures and services.

Anglicare Australia has been advocating in this space for some time now and has developed a number of submissions and other publications that speak to the need to take a social view of employment that puts the individual in the centre. Links to these, should they be desired, can be found in the following attachment.

Policies developed from this type of framework would view the individual as more than a productive unit and seek to develop all worker's capabilities for the mutual benefit of improved standards of living for all.

Anglicare Australia looks forward to reviewing the draft report and may respond more fully in that process.

Yours sincerely

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# Anglicare Australia publications and submissions on Workforce Participation

#### **Publications**

Beyond Supply and Demand: addressing the complexities of workforce exclusion in Australia

Going Without: Financial Hardship in Australia

What if Employers Say No?

#### Submissions

All submissions can be found on the Anglicare Australia website: <a href="http://www.anglicare.asn.au/site/submissions">http://www.anglicare.asn.au/site/submissions</a> advocacy.php

Inequality, hardship and social change, 2014

Response to Employment Services 2015-2020 Exposure Draft, 2014

Income, jobs and support- a recipe for welfare success, 2014

Pathways to Participation, 2014

Limits to Mobility, 2014

Supporting Working Parents: Pregnancy and Return to Work National Review, 2014

Aboriginal Workforce Development Strategy, 2013

Supporting More Australians into Work, 2013

A social view of employment: A vision for the future, 2013

Social Security Amendment (Fair Incentives to Work) Bill Inquiry, 2012

In and Out: The challenges of work insecurity, 2012

Impairment or Entrapment: Disability and employment submission, 2011

Job Seeker Compliance Bill, 2011

Breaking the Cycle of Disadvantage, 2010

The Future of Employment Services in Australia, 2008

