



Catholic Religious Australia Submission to the Inquiry into Fair Work Legislation Amendment (Secure Jobs, Better Pay) Bill 2022

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Submission to the Senate Standing Committee on Education and Employment inquiry into the provisions of the Fair Work Legislation Amendment (Secure Jobs, Better Pay) Bill 2022

Catholic Religious Australia (CRA) welcomes the opportunity to make a submission to the Senate Standing Committee on Education and Employment (the Committee) inquiry into the Fair Work Legislation (Secure Jobs, Better Pay) Bill 2022 (the Bill).

CRA is the peak body representing the Leaders of 150 Catholic Religious Institutes and Societies of Apostolic Life which operate in Australia. Our religious institutes comprise about 5,000 Catholic religious women and men. Our members are employers with many staff members working in education, health care and social welfare, including aged care and disability support.

We believe that safe, secure and fulfilling work is a right to which each person is entitled, allowing them to earn a reasonable living, support family, contribute to and participate in Australian society, forge relationships, express their skills and talents and securely enjoy leisure time. Legislation should therefore never reduce the function of work to a simple economic contract between employer and employee or to having the sole purpose of increasing capital.¹

Australia has experienced significant income stagnation for almost 10 years. Beginning in 2013, Australia suffered the “weakest sustained period of wage growth in Australia’s post-war history”.² Since 2013, “the traditional pace of wage increases decelerated by roughly half: from around 4% per year prior to 2013, to an average of around 2% since then.”³ Although the impact of COVID-19 has caused unprecedented disruptions in Australia’s labour market (including labour shortages), this wage stagnation has continued.⁴

Australia is unique among other OECD countries in experiencing such rapid rates of deceleration.⁵ Australia tied with France for having the worst rate for deceleration in real wage growth of any major industrial country in the period since 2013.⁶ Although other industrialised countries have also experienced wages stagnation, the experience has not been universal. Indeed, for several countries such as the U.S., Germany, and Japan both real and nominal wages accelerated after 2013. After being ranked 14 among OECD countries for real wage growth during the period 2000 to 2013, Australia dropped to 22 during the period 2013 to 2020.

We share the view expressed by the Centre for FutureWork that “the wages slowdown does not seem to be the result of changes in supply-and-demand balances in the labour market, which did not substantially differ between the pre- and post- 2013 periods. Instead, explanations are more likely to be found in the evolution of certain structural, institutional, and policy variables affecting wage determination”.⁷

We support the Albanese Government’s attempt to address these structural problems through the introduction of this Bill.

¹ J. Zabar and A. Treloar, *Strong Economy, Stronger Australia: Building Our Prosperity to Serve the Common Good* (Catholic Social Services Australia (CSSA): Canberra, 2020).

²A. Stewart, J. Stanford, T. Hardy, *The Wages Crisis: Revisited* (The Australia Institute Centre for FutureWork: Canberra, 2022), p. 4

³ Ibid.

⁴ Ibid.

⁵ Ibid, p. 30.

⁶ Ibid, pp. 30-1.

⁷ Ibid., p.4.

The focus of our submission relates to the cap on fixed term contracts and the strengthening of the multi-employer bargaining system, particularly regarding the social and community services sector.

Ban on Fixed Term Contracts

We support the Bill's introduction of a ban on employers offering more than two consecutive fixed term contracts for the same role, and a cap on the maximum length of each contract to two years.

CRA expressed concern in a previous submission to the Senate Committee on the problem of insecure work and the increasing casualisation of the workforce.⁸ Employers offering on-going rolling fixed term contracts to workers creates job insecurity. CRA welcomes the introduction of a ban on rolling fixed term contracts as a step in the right direction towards improving the situation for those facing the challenge of insecure work, although we suggest there is still more work to be done in this regard.

Multi-employer bargaining

We support the Bill's amendments to the *Fair Work Act 2009* which strengthen the multi-employer bargaining system as a means for improving conditions for employment. We see this as especially beneficial to those who work in the social and community services (SACS) sector. Many CRA members are employers with staff members working in the SACS sector.

Health care and social services is the largest and fastest growing industry in Australia, and community services is a key contributor to this growth.⁹ The SACS sector is crucial to both the "social reproduction of the future and current workforce as well as the wellbeing of the growing numbers of older people and people with disabilities".¹⁰

However, as Fiona McDonald and Sara Charlesworth note, employment in the SACS sector "is marked by low rates of unionisation, poor pay and fragmented, insecure working hours" as well as "employers' reliance on government funding through contracted services or via direct payments to individuals".¹¹

Recent changes in the organisation and funding for services within the SACS sector have meant that the long-term care workforce has become increasingly individualised. The growing role of labour hire firms and the spread of the gig economy into the care sector has meant that while the government continues to fund and manage these services, they "are increasingly delivered at a distance from government by private employers in individualised care markets".¹² For example, within the disability services sector, the interaction of the NDIS with digital platforms means a significant number of people who work within the sector fall outside current labour laws.¹³

⁸ [CRA Submission to the Inquiry into Fair Work Amendment \(Supporting Australia's Jobs and Economic Recovery\) Bill 2020](#), 5 February 2021.

⁹ Macdonald, F., & Charlesworth, S. (2021). Regulating for gender-equitable decent work in social and community services: Bringing the state back in. *Journal of Industrial Relations*, 63(4), 477–500. <https://doi.org/10.1177/0022185621996782> accessed 7/11/2022

¹⁰ *Ibid.*

¹¹ *Ibid.*

¹² *Ibid.*

¹³ *Ibid.* One digital platform claims to have 10,000 care and support workers on their platform and to list 220 new independent care contractors each week.

Strengthening the multi-employer bargaining system will enable employees and employers as well as other agencies and organisations such as labour hire firms and funding bodies to participate in pay negotiations in the SACS sector. This would help to address both the highly individualised and unregulated aspect of much of this sector and improve working conditions.

We note that both the Australian Council of Trade Unions and the Council of Small Business Organisations Australia are also organisations who are in favour of strengthening multi-employer bargaining.¹⁴

We acknowledge the concern business advocates have expressed that strengthening multi-employer bargaining may lead to the significant industrial unrest Australia experienced in the 1960s and 1970s. However, we agree with Chris F. Wright that “these outcomes are unlikely. The 1970s industrial relations system is starkly different from today. Unlike then, only a small minority of workers now are union members and it is much harder for them to take industrial action”.¹⁵ This is particularly the case for the social and community services sector, which is highly individualised and fragmented.

In addition to legislative reform to facilitate collective bargaining, there is a need for a more co-operative approach to workplace relations. We agree with the view expressed by the Centre for FutureWork that “whatever measures are taken to extend or encourage collective bargaining, should be complemented with the active promotion by governments, tribunals, unions and business groups of a more cooperative approach to workplace relations”.¹⁶ Historically, the Australian Industrial Relations system has tended to default to adversarialism, however, there is significant evidence that cooperation can bring both benefits to employees as well as improved organisational performance.¹⁷

Conclusion

As outlined above, CRA supports the Bill’s amendments to the *Fair Work Act 2009*. We call upon the government to work collaboratively with business, not-for-profit organisations, unions and the broader community, to ensure that our industrial relations system facilitates the full employment of Australians, supporting, incentivising and rewarding employers who provide secure employment. Any initiatives to rebuild the Australian economy following both the global pandemic, any future economic shock and more generally, should always respect and enhance the human dignity and rights of **all** Australians, allowing for their full participation in our society.

¹⁴ Forsyth, A. “Why unions and small business want industry bargaining from the jobs summit – and big business doesn’t” *The Conversation* 30 August 2022 <https://theconversation.com/why-unions-and-small-business-want-industry-bargaining-from-the-jobs-summit-and-big-business-doesnt-189394>

¹⁵ Wright, Chris F. Submission to the Senate Education and Employment Legislation Committee Inquiry, Fair Work Legislation Amendment (Secure Jobs, Better Pay) Bill 2022, submission no. 1

¹⁶ Stewart et al., op cit., p. 64.

¹⁷ Ibid.