

Australian Government

Australian Government response to the Senate Select Committee on Job Security reports:

First Interim Report: On-demand platform work in Australia Second Interim Report: Insecurity in publicly funded jobs Third Interim Report: Labour hire and contracting Fourth Interim Report: The job insecurity report Final Report: Matters of possible privilege

Acknowledgement

The Australian Government would like to thank the Senate Select Committee on Job Security for its reports into the extent and nature of insecure employment in Australia. The government also thanks the 231 individuals and organisations who made submissions and those who provided evidence over 27 public hearings.

Response

The government notes all recommendations made by the committee in its four interim reports and final report, and the additional recommendations made by Senator Malcolm Roberts in the fourth interim report (the Reports). Since May 2022, the government has delivered a significant reform agenda to support secure jobs, better wages and a fairer workplace relations system. Many of these reforms were informed by the work and evidence of this committee, and implement a substantial number of its recommendations.

As a result of the passage of time since the Reports were tabled and the significant actions taken by the government to respond to key issues raised in the Reports, outlined below, a substantive government response is no longer appropriate.

Outline of reforms relevant to the recommendations of the reports

Workplace relations

The Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022 introduces a suite of measures to reinvigorate enterprise bargaining.¹ A key aim of these reforms was to extend the benefits of bargaining throughout the workforce, with a particular focus on low-paid sectors. This Act also places limitations on the use of fixed-term contracts, embeds the principles of job security and gender equality in the Fair Work Commission's decision-making processes, and strengthens protections against discrimination. The Fair Work Legislation Amendment (Closing Loopholes) Act 2023 closed the labour hire loophole, criminalised intentional wage theft and improves workplace safety.²

The Fair Work Legislation Amendment (Closing Loopholes No. 2) Act 2024³ enables the Fair Work Commission to hear disputes about unfair contract terms in services contracts, set minimum standards for employee-like workers and set minimum standards to ensure the road transport industry is safe, sustainable, and viable. This Act sets a fairer test for determining whether a person is an independent contractor or an employee. It also introduces an employee right to disconnect, establishes a fair and objective definition of 'casual employee' reflecting the practical reality of the employment relationship and gives casual employees a clear and simple pathway to permanency.

¹ <u>Explanatory Memorandum</u>, Fair Work Legislation Amendment (Secure Jobs, Better Pay) Bill 2022.

² Explanatory Memorandum, Fair Work Legislation Amendment (Closing Loopholes) Bill 2023.

³ Explanatory Memorandum, Fair Work Legislation Amendment (Closing Loopholes) Bill 2023.

Through Safe Work Australia, the government is also contributing to projects to develop a national policy approach to workers compensation and the gig economy and ensure the primary duty of care under work health and safety laws applies effectively to modern work arrangements, including the gig economy. This work is being progressed through Safe Work Australia's tripartite processes involving worker and employer representatives, in addition to state and territory governments.

Care and support workforce

The government is investing in the care and support workforce to make sure we can provide sustainable, high-quality care and support for Australians. The government has supported the wage increases determined by the Fair Work Commission in the Aged Care Work Value case and is delivering \$11.3 billion to fund the interim 15% award wage increase in response to the Stage 2 decision of the case. The government has committed to provide a further \$3.8 billion to fund increases outlined in the Stage 3 decision of the case. The government has also committed to a direct employment preference in aged care and is monitoring of the use of indirect employment by providers through Quarterly Financial Reporting and the Aged Care Workforce Provider Survey.

The government is committed to building a stronger National Disability Insurance Scheme (NDIS) workforce and service provider market to support NDIS participants to achieve their goals and receive consistent high-quality care. The government is taking actions to support this commitment, such as through responding to the NDIS Review⁴ recommendations and the findings of the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability.⁵

Higher education

The government is committed to growing secure and better paid jobs in the higher education sector. Issues of job security in higher education have been considered in consultation with the sector and stakeholders through the Australian Universities Accord (the Accord). A panel of eminent Australians led a 12-month review of Australia's higher education system to drive lasting and transformational reform in the higher education sector.

The government is acting on the priority actions⁶ outlined in the Accord Interim Report, which include working with states and territory governments and universities to strengthen university governance and improve workplace relations compliance. Education Ministers have established an Expert Governance Council to develop new 'University Governance Principles and Recommendations' based on 10 priority areas designed to enhance the accountability, transparency, engagement and representation of university governing bodies. This includes ensuring rigorous and transparent processes for developing remuneration policies and settings for senior university staff.

⁴ Commonwealth of Australia, <u>Working together to deliver the NDIS: Independent Review into the National</u> <u>Disability Insurance Scheme – Final Report</u>, 2023.

⁵ Commonwealth of Australia, <u>Australian Government Response to the Disability Royal Commission</u>, 2024.

⁶ Australian Government Department of Education, <u>Accord Priority Actions</u>, 2023.

On workplace relations, actions include:

- new guidance and reporting requirements from the Tertiary Education Quality and Standards Agency to ensure higher education providers have governance and management processes in place to meet enterprise agreements and industrial obligations
- engagement of an independent expert to support the National Tertiary Education Union, Universities Australia and the Australian Higher Education Industrial Association in identification and resolution of priority issues to ensure universities are exemplary employers; and
- improved staff data collection by the Department of Education on the use of casual and fixed term employment arrangements in universities.

Further information on the Accord and the government's response is available at www.education. gov.au/australian-universities-accord/accord-202425-budget-and-myefo-measures.

Government employment and procurement

Australian Public Service (APS) reform initiatives are improving core capability and job security in Commonwealth employment. The Average Staffing Level cap has been abolished and an APS Audit of Employment has been conducted. Through centralised APS bargaining, common conditions have reinforced the *Public Service Act 1999* principle that the APS is a career-based public service with ongoing engagement as the usual basis for employment. Consistent with the government's Secure Jobs, Better Pay and Closing Loopholes reforms, non-ongoing APS engagement is now limited to a total term of 18 months where a merit-based process was not undertaken. In addition, the APS has proactively taken steps to ensure APS casual employees are able to convert to permanent employment while still ensuring appointments to ongoing APS roles remain based on merit.

The government is also committed to the establishment of a Secure Australian Jobs Code (Secure Jobs Code) to prioritise secure work in government contracts and ensure that government purchasing power is being used to support businesses that engage in fair, equitable, ethical, and sustainable practices. Work to develop the Secure Jobs Code is underway with options for the scope, design and implementation being considered ahead of consultation with stakeholders and the public.

The first steps towards a Secure Jobs Code was achieved through the Commonwealth Supplier Code of Conduct (Supplier Code).⁷ The Code outlines the Commonwealth's minimum expectations of suppliers and their subcontractors while under contract with the Commonwealth. The expectations in the Code cover ethical behaviour; corporate governance; business practices; and health, safety, and employee welfare. The Supplier Code came into effect 1 July 2024 and is mandatory for all Commonwealth contracts.

⁷ Australian Government Department of Finance, <u>Commonwealth Supplier Code of Conduct</u>, 2024.