



frsa

**Family & Relationship
Services Australia**

**Submission to the ACTU Independent
Inquiry on Insecure Work**

January, 2012



About FRSA

Family & Relationship Services Australia (FRSA) is a national peak body. Our purpose is to provide national leadership and representation for services that work to strengthen the wellbeing, safety and resilience of families, children and communities. FRSA member organisations deliver services in more than 650 locations across Australia and consist primarily of non-profit organisations embedded in local communities.

FRSA provides support to members and draws on their expertise to understand the changing needs of families accessing services and to inform public policy. FRSA also works collaboratively with the Australian Government and its agencies. FRSA receives funding through the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) to provide sector representation and support to services funded under the Family Support Program which has three core streams:

1. **Community and Family Partnerships:** providing intensive and coordinated support targeted to disadvantaged communities and families, especially where children are at risk.
2. **Family and Parenting Services:** providing early intervention and prevention services to families to build and strengthen relationships, develop skills and support parents and children.
3. **Family Law Services (Attorney-General's Department responsibility):** assisting families to manage the process and impacts of separation in the best interests of children.

Many of FRSA members deliver a mix of other Australian Government and State/Territory Government funded programs, such as:

- Family violence and sexual assault services
- Child protection services
- Family support
- Community legal services
- Crisis accommodation and support
- Community/neighbourhood centres
- Disability and carer support services
- Mental health services
- Children's services

FRSA works collaboratively with related service networks, peak bodies and advocacy groups to promote effective support for families across these and many other program areas.

For more information visit www.frsa.org.au.



Introduction

FRSA's interest in this inquiry arises from our commitment to the wellbeing, safety and resilience of families, children and young people.

FRSA member organisations support families living on low levels of household income that often experience difficulty meeting regular expenses and maintaining a consistent quality of life. Many also support young people making the transition into the workforce from education or training, as well as providing a range of support programs to parents and children across the life cycle. It is through the delivery of these services that practitioners across the FRSA network have raised concerns about the impact of insecure and irregular employment on families.

This submission seeks to draw on this experience as well as available research. We have also provided some case study examples based on clients' stories and lived experience but please note that these examples do not represent specific individuals.

Employment Trends

Australia has a high rate of part time and casual work (Butterworth et al, 2011). According to the Australian Institute of Health and Welfare (2011), 30% of employed people worked part-time in 2010, 17% of males and 46% of females, this has increased for both sexes since 1999. Further, casual workers (employees without leave entitlements), whether on full-time or part-time hours, comprised 16% of employed males and 24% of employed females with casual work increasing amongst males but decreasing for females since 1999 (AIHW, 2011 p379).

FRSA recognises that part-time, casual and flexible work arrangements can offer benefits and opportunities for some people in the labour market. For example, families with young children often choose to have one or both parents working part-time, balancing work and family responsibilities¹. Flexibility can provide positive opportunities and better work-life balance for those who are educated, physically and mentally healthy, financially secure, or who have financial back-up and other support from friends and family. Casual or flexible work can also allow some people to try new jobs, gain a variety of work experience, work flexible hours, develop a range of skills, work shorter weeks and tender their resignation with little notice if they wish to do so.

However the benefits of part-time and flexible work arrangements can be undermined when employment is insecure. Insecure work is uncertain, often short-term and unpredictable. An employee may get only a few hours' notice to come to work, and shifts may be as short as 4-5 hours. Irrespective of shift length, employees bear fixed costs such as grooming, uniforms and travel. From week to week, employees may not know how many shifts they will get.

¹ In 2010, the most common working arrangement for couples with children aged 0-14 years was for both parents to be employed (61%) often with the mother working part-time (37% of all couple families). Just over half of all lone parents with children aged 0-14 years were employed in 2010 (AIHW, 2011 p63 citing ABS 2011).



Many people in insecure work arrangements have been compelled to accept their work arrangements due to lack of opportunities for good quality standard employment. Many wish for far greater security, certainty, and better conditions. Insecure workers are usually at the bottom of the pecking order in the company and they tend to have little or no bargaining power when it comes to negotiating shifts. When a company needs to cut costs, insecure employees are the first to be retrenched.

Trend data appears to suggest that the workforce in Australia is likely to become increasingly flexible and insecure as in other OECD countries. Deregulation of the labour market has led to deterioration in working conditions, including the erosion of penalty rates for shift and weekend work, an increase in unpaid overtime and fewer training and on-the-job opportunities for temporary workers (Butterworth, 2011). Despite this, relatively little research has been dedicated to the 'social consequences' of insecure work, specifically its impact on individuals, their family members or the communities in which they live (Scherer, 2009 p527).

Impact of Insecure Work

There are a number of life domains in which insecure work arrangements can have a negative impact in putting pressure on families and relationships. These include (but are not limited to):

1. Financial impacts
2. Health & mental health impacts
3. Parenting capacity – including time spent with children, quality of child care arrangements and the impact of stress on parenting style.
4. Employment pathways – particularly for young people entering the workforce or seeking to get established in a career.

These issues are more likely to affect people who have:

- Sole child-raising responsibilities (usually women)
- Limited education
- Non-English speaking background
- Mental health issues
- Disability and/or caring responsibilities
- Few financial resources
- Little or no support from family or friends

Insecure employees who also receive Centrelink benefits need to report their income to Centrelink each fortnight. The Centrelink payment for the next fortnight is adjusted according to what the insecure employee earned. Errors and mistakes can be made resulting in complex paper trails, delayed payments and the need for negotiation.



Domains of Impact

1. Financial Impacts

An individual or household's access to economic resources is of critical importance to their health and wellbeing, including the ability to participate in the community. For many people, income is the primary determinant of economic wellbeing (AIHW 2011).

The ACOSS Australia Fair Report (2007) notes that temporary jobs can trap workers into employment and earnings insecurity, and temporary jobs are usually not a voluntary choice. It is well known that unemployment strains family relationships and can trigger harmful behaviour such as family violence and parenting difficulties (Wise, 2009 p27), and evidence would seem to indicate that insecure work may have similar or worse effects (Butterworth 2011).

Low paying or inconsistently paying jobs can cause difficulty with weekly budgets and paying bills and rent. This forces some families to go without essential items such as food, housing, transport and medical treatment, and prevents some parents from purchasing important items for their children such as educational resources (Wise, 2009 p26). Borrowing money can also be very difficult for a person who cannot demonstrate a fixed or continuous income. If a lender can be found, the interest is likely to surpass bank rates.

In 2009, FRSA commissioned a survey of households with children to assess the impact of the Global Financial Crisis. This survey found that 'financial stress' (27%) was the most significant cause of relationship stress. Mental health issues (9%) and work stress (8%) were also identified by respondents as contributing to relationship difficulties. Similarly, Relationships Australia's 'Relationships Indicator Survey 2011' reports financial stress as the top reason why relationships break down, with 71% of respondents indicating that financial stress was much more likely to push couples apart than to keep them together.

Case Example: Jeng

Jeng and his family, including his wife Ke and four children, are originally from China but have lived in Australia for several years. Jeng has recently been awarded a trade certificate as a carpenter but cannot secure permanent work. He has casual work from a property development company building a large housing estate in Western Sydney but when the weather is wet or there is a delay in materials being delivered there is no work and he is not paid. Jeng has taken out a personal loan to finance the tools and van he needs to work as a carpenter but if he is out of work for more than one week in four he can't pay the household rent and outgoings and also service the loan so he has taken various second jobs in the evenings (including pizza delivery and kitchen hand) to stay ahead. He is often very tired and his family worries about his safety. Ke also works and struggles with the demands of the household and raising the children with little support from Jeng. Both Jeng and Ke worry about money and staying on top of the bills, and while their relationship is strong it is constantly under strain.



2. Health & Mental Health Impacts

Insecure work that requires employees to be available at short notice, work irregular work patterns and/or excess hours during peak periods followed by underemployment during quiet periods can have a variety of impacts on the health of the individual. Examples include irregular sleep, fatigue, poor diet, interrupted routines etc. Mental health impacts can include stress and anxiety arising from uncertainty, depression or self esteem impacts of not being able to achieve secure employment and therefore reliable income.

Peter Butterworth et al (2011) at the ANU conducted a study on the relationship between psychosocial job quality (levels of control, demands and complexity, job insecurity and unfair pay) and mental health. While they found that unemployed respondents generally had better mental health than those who were employed, those in jobs of the poorest psychosocial quality had the worst mental health of all. This study suggests that the erosion of work conditions may incur a health cost, which over the longer term will be both economically and socially counterproductive. Clearly the health of parents has a significant impact on the children and young people in their care, thereby having a cumulative impact in family households.

Case study: Vijay

Vijay, a qualified counsellor originally from India, was hired by a not-for-profit organisation a year ago. Her employment was initially contingent on a 3-month probationary period, which at its conclusion was extended for another 3 months without explanation. Now, after 12 months as a casual, Vijay would like a permanent position but has been told this is not an option. This is in spite of Vijay's 30 years of experience and very good references from past employers. She says it is 'difficult to work confidently' and her 'sense of belonging is compromised'. She can't afford to retire but feels her working environment is 'toxic' and damaging to her health – since beginning this work she has been experiencing frequent migraines. Vijay says her sense of shame has affected her ability to keep in contact with her family. While she maintains she has 'put in so much to be the professional I am', her future in the job is still unknown.

3. Parenting Capacity

Parental stress from financial pressure can be manifested at the whole-of family level. A 2007 survey conducted in Victoria showed that families with children reporting unhealthy family functioning were less likely to be able to raise \$2000 in an emergency and more likely to live in low socio-economic areas (DHS, cited in Wise, 2009 p27). Various stressors are also known to disrupt parenting practices. This includes financial and mental health stress brought about by insecure work. Irritable, critical parenting increases the likelihood that children develop behavioural issues, which can exacerbate parent-child conflict and place further stress on the family.

Irregular hours and short notice can be particularly difficult for parents with young children relying on child care. Formal child care in quality assured, accredited child care centres can be difficult to arrange at short notice and is often not available. The cost of maintaining regular child care may be too high for parents with variable or uncertain income.



Limited access to paid holiday and sick leave and inflexible start and finish times can be difficult to negotiate, particularly for those with family responsibilities, and can result in poor work-family balance (Hosking & Western, 2005).

Case study: Sonia & Barry

Sonia, Barry and their first child - six month old Oliver, live on the outer fringe of Melbourne. Barry, a painter's hand, has work at the moment but his hours vary – he needs to be available for work at short notice to keep his job and sometimes has to travel to rural Victoria with a team. Sonia is looking to return to work in retail but is having trouble finding work with regular hours, she has only been offered casual shifts. The local child care centre only has two casual places for children under 2 and they are usually taken by 8.05am each day. The centre has offered Oliver regular care two days per week but Barry and Sonia can't afford it until Sonia has regular work. They are frustrated by the situation and argue regularly about their situation. Barry thinks Sonia should leave Oliver with a neighbour who looks after other children on an informal basis but Sonia is anxious about his safety and would much rather use the child care centre.

4. Employment Prospects

Young people entering the workforce, as well as those with limited previous workforce engagement for other reasons (eg child rearing, health or mental health issues, time spent as a refugee), can be particularly vulnerable to negative experiences. Insecure work can disrupt the usual benefits of entering the workforce by delaying the transition from reliance on income support to reliance on earnings, complicating tax and benefit arrangements as well as having psychosocial impacts such as increased anxiety and reduced sense of achievement or increased self esteem.

The following case study comes from Victorian family support organisation Family Life's social enterprise PeopleWorx. Situated in up-market Op Shops, PeopleWorx provides marginalised, unemployed young people and adults with a range of aspects of work preparation. This includes work experience, Certificate level training (Cert II in Retail), access to Family Life's professional counsellors, and most importantly, support and mentoring from Family Life's trained volunteers. Typically, PeopleWorx participants are experiencing multiple personal difficulties, including social isolation, mental illness, physical difficulties, abuse and addiction to alcohol or illicit drugs. Such challenges make it difficult for people in this cohort to cope with the uncertainty of insecure work. The Manager of PeopleWorx observes that insecure work seems to have become more common over the past few years, and many participants are returning to PeopleWorx a second or third time, having found it difficult to cope with low paying, erratic and unstable insecure work. The pressure it places on them can be more than they can deal with. Family Life's experience suggests that with further education, access to services and, most importantly, personal support, marginalised unemployed people can be helped to enter the workforce. Ideally, they can be supported into secure jobs so they can remain there.



Sophie

Seventeen year old Sophie's experience of the working world had not been positive. Several insecure jobs, none of which offered more than a few hours per week, with one not even paying a salary, was all she had experienced. Her family had a very low income. When she joined PeopleWorx Sophie was considered to be at-risk of committing suicide. Her dysfunctional relationships with her boyfriend and her father were weighing her down. With support from PeopleWorx Sophie completed Certificate II in Retail. After graduation she found a part time job in a supermarket and is studying Certificate III in Child Services. She continues to need support when she has to negotiate with her employer. Her current study, will, hopefully enable Sophie to escape from the uncertainty of insecure work force.

Insecure work in the not-for-profit sector

FRSA does not have expertise in the area of labour force dynamics at the macro level but we are able to comment on some factors that may be contributing to insecure work within the not-for-profit, community services sector. These include:

- Short term government funding contracts for services and programs (while the Australian Government's Family Support Program is now funded through 3 year agreements, there are many other programs of support for families that are funded on 6-12 month contract terms making it difficult to engage staff on secure, longer term arrangements).
- Changing expectations regarding program mobility and responsiveness which recognise changing social demographics and needs but do not typically support staff relocation or retraining.
- Increased use of fly in/fly out and drive in / drive out arrangements as well as telephone and online service delivery modalities.
- Inadequate funding levels – frequently at 75% of actual cost (Productivity Commission, 2010).
- Inadequate indexation on funding that erodes the value of funding over time, reducing the number of employees that can be engaged in services or programs.

FRSA believes that community sector employers value the wellbeing of their employees and will readily engage in strategies to improve work security in partnership with funding bodies.



Conclusions

Insecure jobs, while suitable for some, can have a significant negative impact on families, households and children, particularly because of the subsequent impact of fluctuating income and mental and physical health issues of the employee on relationship conflict, parenting and family stress.

FRSA believes that there is a need for:

1. More research into the impact of insecure work on individuals and families.
2. Consideration of psychosocial job quality in the design and delivery of employment and welfare policy;
3. Investment in support and advocacy for marginalised or vulnerable people, who are the most likely to experience insecure work; and
4. The development of workforce strategies for the not-for-profit sector that increase work security and quality over time in partnership with funding bodies.



References

ACOSS (2007) *A fair go for all Australians: International Comparisons 2007*. NSW, ACOSS.

Australian Bureau of Statistics: ABS (2011) *Family Characteristics, Australia 2009-10*. ABS Cat. No. 4442.0 Canberra ABS.

Australian Institute of Health and Welfare: AIHW (2011) *Australia's Welfare 2011*. Australia's welfare series no. 10, Cat. No. 142. Canberra, AIHW.

Butterworth, P et al (2011) 'The psychosocial quality of work determines whether employment has benefits for mental health: results from a longitudinal national household panel survey' *Occupational and Environmental Medicine*, 68, 11, 806-812.

Family Relationship Services Australia (2009) *Relationship health and support services in the global economic crisis: Social Research Survey of Households with Children 2009*, Canberra, FRSA.

Hannan, J (2009) 'Unhappy Families: The impact of the GFC on individuals and family relationships' *State of the Family Report, Beyond Economics – families at the forefront*. Canberra, Anglicare Australia Inc.

Hosking, A & Western M (2005) *The Effects of Non-Standard Employment on Work-Family Balance* Paper presented at the 9th Australian Institute of Family Studies Conference, Melbourne, 9-11 February.

Productivity Commission (2010) *Contribution of the Not-for-Profit Sector*, Research Report, Canberra.

Relationships Australia & CUA (2011) *Relationships Indicator Survey: Issues and Concerns for Australian Relationships Today*. Canberra, Relationships Australia.

Scherer, S (2009) 'The Social Consequences of Insecure Jobs' *Social Indicators Research*, 93, 3, 527-547.

Wise, S (2009) 'Resilience and Recovery: Achieving family well-being after the financial crisis' *State of the Family Report, Beyond Economics – families at the forefront*. Canberra, Anglicare Australia Inc.