



# APSCo Australia's Response to The Future of Work and Workers Inquiry

February 20, 2018



This response is based on the Position Statement of APSCo Australia

APSCo Australia believes employment and engagement practices need to evolve to keep pace with modern business models.

APSCo Australia supports the notion that all work should be fair and decent with realistic scope for development and fulfilment.

APSCo Australia recognises that all new forms of work must consider and take account of worker rights and responsibilities, whatever form of work is undertaken, and employer freedoms and obligations

### **Staffing Sector Statistics – December 2017 (ABS)**

| <b>INDIVIDUALS ENGAGED WITH STAFFING COMPANIES IN PAST 12 MONTHS</b>   |  |
|--|--|
| Individuals who registered with staffing companies over past 12 months   | 252,000  |
| Individuals who found work through staffing companies over past 12 months  | 600,000 ( many have been registered for a number of years) |
| Individuals directly paid by the staffing company  | 134,000  |
| Individuals working through but not paid by staffing company (paid by third parties i.e. payroll, contractor management) | 468,000  |
| <b>Independent Contractors (full and part time)</b>  | <b>1,023,000</b>   |

### **The key labour market challenges**

APSCo Australia recognises that there has been:

- a) inconsistent real wage growth
- b) talent disparity to support the constant demands of business and Government projects and to deliver on key projects that have an immediate talent demand from the global marketplace.
- c) changing demands of the work force as technology and lifestyle changes have enabled the “gig” economy and worker’s choice at many levels.
- d) automation of work,

as well as a need to:

- e) protect engagement of workers during economic fluctuations

- b) facilitate business development and entrepreneurship
- c) acknowledge and recognise emerging forms of work
- d) ensure quality of work by referencing the following six indicators:
  - Wages
  - Employment quality
  - Education and training
  - Working conditions
  - Work life balance
  - Consultative participation

### **Recognition of the flexible labour market**

APSCo Australia maintains that:

- the flexible labour market has been an invaluable strength of the Australian economy, underpinning job creation and emerging businesses, encouraging business investment and ensuring our competitiveness on a global stage.
- that there are risks with flexibility if not managed correctly and/or if used to undermine the rights of the workforce.
- flexibility cannot be one-sided, and must be compatible with worker protections and business outcomes.
- having the flexible models of work recognised by Government for the solutions they provide and for the economic contribution they deliver is fundamental to the discussion of the future of work.
- clarity of employment or engagement status is critical to the future of workers in the emerging digital economy
- harmony between various forms of regulation (WHS, employment etc) is essential to ensure consistency of language and definition.

### **Flexibility should be mutual**

APSCo Australia recommends that:

- self-employed workers are a large diverse group, with different motivations and needs
- flexibility should be a mutually beneficial arrangement as the needs of workers and business are key to the future of work,



- eligibility ( or non –eligibility) for certain rights need to be clearly articulated.
- engagement and supply via the professional staffing sector should be recognised as important for a vibrant, flexible labour market and ultimately a key contributor to the future of work.
- vulnerable and at risk workers need to be protected and have support to understand their entitlements.

### **For consideration- flexibility with rights**

APSCo Australia is exploring the possibility of promulgating the concept of a dependent contractor, who can broadly be defined as a new status category term to reflect the increasing casualisation of the labour market including the ‘gig worker.’

The category could cover casual, independent relationships. The status of ‘dependent contractor’ should have a clearer definition than that of ‘worker,’ and rights and entitlements need to also be considered.

### **Nine steps to a creative workforce model for the 4<sup>th</sup> Industrial Revolution**

- 1) A strategy based on basic principles: quality work and protections; recognising choice; maximising technology
- 2) Flexibility should be protected, but ensuring fairness for all, and clear distinctions for those legitimately self-employed – e.g. independent contractors.
- 3) Legislation should be clearly articulated to assist companies to identify the appropriate engagement models, for the changing labour markets
- 4) This articulation should also ensure workers understand their rights, including protections for new categories of worker e.g. dependent contractors.
- 5) Support and resources to ensure good management and strong employment relations practices within all organisations.
- 6) Realistically attainable ways to strengthen Australia’s skills needs for the future through the use of predictive analytics and the encouragement of ongoing education and upskilling.
- 7) Recognition of the need for a targeted, effective immigration program to support short term needs while developing the long-term solution.
- 8) Maintenance of a strong approach to workplace health and safety and to increased diversity in the workplace.
- 9) Strategies to ensure that the workforce of the future can believe in measurable progress in skills, in sufficient remuneration and in recognition for the way they wish to work and how they wish to engage.



## Inquiry Outcomes

APSCo Australia is keen to see the outcomes of the Inquiry address:

- the changing shape of the labour market, work and the worker through the acknowledgement of the role of the digital economy and automation.  
  
the related challenge to ensure the right processes and structures are in place to recruit, manage and support this rapidly evolving labour force.
- the need for investment analytics to frame a picture of the work of the future, the worker who will action the work and the structure that will create the work – we need to be ahead of the game change – technology and automation demand it.
- the re-skilling and education challenge
- the establishment of a collaborative framework with the public sector, business and the education sector to inform and develop a “digital age” education program that aligns with emerging roles.

## In Summary

APSCo Australia strongly supports the need to navigate a new way forward to keep the best traditions of a “fair go for all”, while taking Australia into a digital and global marketplace where work is as often defined by the individual as it is by the enterprise or indeed the legislation.

We need to move from being comfortable with the traditional worker arrangements where business and employment is concerned, to being smart, agile and globally relevant.

This will require a collaborative and creative approach between Government, business, professional staffing companies, and the workers themselves, to challenge all forms of worker engagement and take a much broader view of what represents a worker – because it will be the worker who defines the future of work – the 4<sup>th</sup> Industrial Revolution is upon us!