

31 March 2021

Select Committee on Job Security
Department of the Senate
PO Box 6100
Canberra ACT 2600

Via email: jobsecurity.sen@aph.gov.au

Dear Secretariat

Thank you for the opportunity to provide a submission on the inquiry into the impact of insecure or precarious employment on the economy, wages, social cohesion and workplace rights and conditions.

The Australian Retailer's Association (ARA) is Australia's largest and oldest retail industry group and represents around 7,500 independent, national and international members. The ARA is the trusted voice for Australia's \$340 billion retail sector, which employs more than 1.2 million people.

Australia's economy is still in recovery from COVID-19. The retail sector was particularly affected by state and federal regulations during the pandemic which resulted in job losses and business closures, some of which have been permanent.

The ARA are grateful for the support by the Federal Government in delivering JobKeeper payments but ultimately that support is coming to an end. Getting people into jobs and ensuring there are job opportunities available is key to ensuring there is consumer confidence, which drives consumer spending. This is critical for small retail businesses to recover. Many who were unable to find work because of COVID turned to the gig economy for a safeguard and to make ends meet.

A huge proportion of workers who worked in hospitality or retail faced immense challenges due to the state government lockdowns during the pandemic. The on-demand economy allowed for these front-line service employees to quickly pivot and supplement their reduced income through offering their skills in the gig economy.

The provision of delivery services are particularly important for retailers with food services, cafes and hospitality during a pandemic. The second round of lockdowns in Victoria caused spend in the gig economy to surge to high levels with meal delivery spend over 100 per cent higher in October 2020 than the pre COVID-19 lockdown period. After the initial COVID-19 lockdown period, the gig economy captured over 40 per cent more consumers in October 2020 compared to the pre-lockdown period (*The Rise of the Gig Economy and its Impact on the Australian Workforce GREEN PAPER DECEMBER 2020*). On-demand work allowed for many who lost their jobs to find work without having to reskill or upskill. People in jobs meant sustainable consumer confidence and therefore consumer spending toward a retail recovery.

The benefits of the gig economy, especially present during the pandemic was the flexibility offered by "on-demand" work. Australian workers seeking to maintain their financial security were able to adapt by pivoting to on-demand work. This allowed them to be their own boss, manage the hours they work, determine where they work and adjust their schedules to accommodate for what their primary commitments look like whether it be family obligations, a primary job or study.

A blanket framework to extend powers to the Fair Work Commission would have unintended consequences on the retail sector, the opportunity for on-demand work and the broader economy.

This would deter organisations from offering the same level of flexibility and would no longer afford on-demand workers the same level of autonomy.

A national survey conducted in 2019, the 'Digital platform work in Australia' (*McDonald, Williams, Stewart, Oliver, & Mayes, 2019*) revealed that almost half of the current gig workforce reported spending less than five hours per week on gig economy work, and only 5.4% reported spending more than 26 hours per week. This is in stark contrast to the weekly hours associated with full-time roles common to many other sectors. Furthermore, only 15.4% of gig workers indicated that income from gig work was essential for meeting basic needs.

A large proportion of on-demand workers consider their work in the gig economy to be supplementary to another primary form of employment. A secondary form of employment does not impact the security of their primary job. Loss of a supplementary income still allows for individuals to have a safety net.

The existing legislative frameworks that oversee gig economy work are predominantly state based. These frameworks are needlessly complicated and increase business costs. Although these frameworks currently only exist in Victoria and New South Wales, it would benefit businesses in Australia if what were available would be more consistent between the states.

With regards to section (f) of the terms of reference, we believe it is not the role of Government to deliver the functions of an experienced insurance company. The pandemic left Australian workers with difficult choices and the gig economy offered a skills transferable solution to many who were left without jobs. For those who retained their jobs during the pandemic with reduced working hours or had family members who lost employment and were not able to contribute, they were able to pivot through engaging in a flexible, on-demand work solution – providing financial security.

The pandemic has left the retail sector in much need for recovery and the ARA supports jobs. Given that on-demand work predominately provides a second source of income, it is critical that there is a regulatory environment that allows for the gig economy to innovate and grow.

Thank you again for the opportunity to provide a submission on job security. Please do not hesitate to contact ARA's Policy and Advocacy Manager, Jessica Yu, directly or at
we can be of assistance in any way.

Yours sincerely,

Paul Zahra
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Australian Retailers Association