



FYA's New Work Order
report series

A portrait of a young woman with dark hair, wearing a white sweater and a dark green scarf, looking directly at the camera with a slight smile. The background is a warm, orange-brown color.

THE NEW WORK STANDARD

**HOW YOUNG PEOPLE
ARE ENGAGING WITH
FLEXIBLE WORK**

The Foundation for Young Australians (FYA) is a national for-purpose organisation committed to backing young people to self-determine their futures. Find out more at fya.org.au

FYA would like to acknowledge the custodians of the land throughout Australia on whose unceded countries we conduct our business. We pay our respects to their elders past, present and emerging, for they hold the memories, the traditions, the culture and hopes of Indigenous Australia. We acknowledge that Aboriginal and/or Torres Strait Islander people continue to live in spiritual and sacred relationships with this country.

The New Work Standard report

This report is part of FYA's *New Work Order* series and has been developed with the support of the Lord Mayor's Charitable Foundation (LMCF). The LMCF works to inspire philanthropy throughout the wider community to influence and support positive social change, encouraging innovation and the exploration of new solutions to tough social and environmental problems.

FYA thanks LMCF for not only its financial support but insights and contributions to understanding the impacts of current and emerging working practices on young people.

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THE FUTURE OF WORK – IS IT TIME FOR NEW STANDARDS?

During 2020, the global pandemic COVID-19 has seen Australia, like many other nations across the world, struggling to forecast what the future of work will look like given the pandemic has impacted almost every aspect of how we live, learn and earn.

While a number of short-term financial safety nets have been implemented in many countries, Australia included, an economic downturn is upon us and has hit young people particularly hard. The full weight of economic and social impact is yet to be seen and depends on both the trajectory of the virus, as well as policy and market responses over the next few years.

But as this report launches, Australia is entering its first recession in three decades and the youth underutilisation rate is estimated to have reached more than 60% (as at May 2020), levels not seen since the Great Depression.¹

Australia has long been at the forefront of industrial reform – crucial changes that introduced minimum wage, enterprise bargaining and compulsory superannuation have ensured that the majority of Australians have had access to workplace protections.

However, even before Australia was thrown into a response to a global pandemic, a growing proportion of workers sat outside of this safety net – many of them young people.

Just prior to COVID-19, The Foundation for Young Australians (FYA) undertook research looking at how young people were engaging in work outside the traditional definition of a nine-to-five full-time job.

This research covered work that we defined as flexible work - encompassing part-time, casual, self-employed work and gig work, with a particular focus on what the gig economy meant for young people.

We found that young people were disproportionately represented in flexible work - and that this number was growing. For example, since 2016, we estimated there had been a 340% growth in the number of people engaging in gig work (on-demand work obtained through digital platforms) with people aged 18-34 years-old making up more than half of this number.²



This report presents the findings of that research, with the addition of some new perspectives given the current times. While it identifies there are opportunities, it highlights a number of risks associated with flexible work, many of which we are now seeing play out. For example, young people in casual employment are experiencing greater vulnerability around financial and job security due to the impact of COVID-19.

The binary nature of our labour regulatory systems sees workers as either employees or contractors, meaning some have access to benefits and insurances (such as sick leave and superannuation) while others do not.

The Australian Government's fiscal response to COVID-19 introduced a new, albeit temporary, binary – those who had enjoyed 12 months of continuous employment were protected through JobKeeper, while those outside of that safety net simply were not. Many of these are young people.

Although our systems may see workers through a binary lens - where workers must fit neatly into one camp or another – our research has found that this is not the case. The New Work Standard report identifies that before COVID-19 there were eight different ways that young people were engaging in flexible work.

This is based on whether this work is their primary income, the level of choice involved (ie: they want to work this way or they are unable to find other options) and whether it contributes to their professional or personal development

This presents challenges in how we ensure young workers have access to protections and support to minimise their risks in flexible work, while not compromising the opportunities that it can provide, if we use a binary approach.

To meet the changing requirements of an increasingly flexible workforce – which arguably the impacts of COVID-19 will further influence - risks for young workers have to be better managed. A new approach is needed to understand what 'good work' or 'quality jobs' are.

This is a multidimensional concept that spans more than just income or security. As the Government develops its approach for job creation through JobMaker, ensuring that any jobs created constitute both quality and secure work should be at the forefront.

FYA has developed a framework that can help protect Australians from the risks that come with flexible work – the Good Work Standard. The Standard's role is not to replace existing legislative or regulatory protections but rather to complement them, and articulate a set of principles that can evolve over time where required.

Although initially developed in response to what we understood before COVID-19, FYA believes the Good Work Standard is as relevant as ever as Australians consider their future livelihoods and quality of life.

Underpinned by four pillars of 'good' work, the Standard recognises that providing good work is not only about minimising risk and maximising opportunity, but also recognising that Australians engage with work in many different ways, depending on their circumstances, and will continue to do so.

The pillars of good work include:

- **Access and inclusion:** ability to secure work through an equitable approach to hiring and contracting
- **Protection and wellbeing:** protection against injury or harm, access to income security and provision of support for personal or community events
- **Quality and control:** fair agreements, contracting and processes for work and the ability to earn a living wage, access to fair pay and standards for wages
- **Growth and development:** access to opportunities for progression including ways to build skills and networks as well as recognition of skill development and portability across work

While the Standard can apply to all workers, FYA believes Australia should start by looking at young people, who are most at-risk of falling behind in our economy, now more than ever.

THE NEW WORK ORDER

Since 2015, FYA's *New Work Order* report series has highlighted the increasing dynamism and complexity of our working lives and the implications for young people across Australia.

In this our seventh and final report in the series, *The New Work Standard*, we sought to understand what part-time, casual, self-employed and gig work – or flexible work – meant for young people and their careers.

We considered the motivations, ambitions and dependencies young people were expressing around flexible work. We also analysed available data to gain insights into what opportunities and risks the flexible economy posed.

And then came COVID-19. While the pandemic continues to play out and its longer term economic impacts are not yet known, FYA believes the findings of our recent research still makes an important contribution to the current debate about access to and security of work in Australia.

Findings from our initial research have been complimented with analysis of recent labour market data and further consultation with young people impacted by COVID-19.

FYA'S NEW WORK ORDER SERIES

In the first report of our *New Work Order* series, we identified three global economic forces transforming the way we work.

90%



AUTOMATION

Is predicted to transform every job across the Australian economy by 2030, with 90% of future jobs requiring digital literacy.³

11%



GLOBALISATION

As part of an increasingly globalised economy, and as a result of technology, it is estimated up to 11% of service jobs could be outsourced overseas.⁴

30%



FLEXIBLE WORK

With decreasing numbers of workers in traditional full-time employment, survey data estimates up to a third of the workforce could be engaged in flexible work, including part-time, casual and independent contractor roles.⁵

The reports that followed have analysed the types of skills, mindsets and experiences young people require to accelerate their transition from education to employment – and how our education and training systems can better support them to do this.

WHAT IS FLEXIBLE WORK?

For the purposes of this report, FYA has defined flexible work as including part-time, casual, self-employed workers with no employees (independent contractors) as well as gig work. In short, flexible work includes the breadth of ways in which workers engage in non-traditional employment i.e. not full-time work.

It should be noted that when referring to flexible work in this report, FYA does not mean full time employees who have flexible working arrangements - ie: arrangements such as working from home or negotiable start/finish hours etc. While flexibility in working arrangements have been spotlighted during COVID-19, that is not the focus of this report. Our definition of flexible work is specific and includes four areas as described in the table below.





| PART-TIME WORK | CASUAL WORK | SELF-EMPLOYED* | GIG WORK |
|--|--|--|---|
|  <p>Regular work that can be either ongoing or fixed term. This work provides access to benefits, such as paid leave and superannuation entitlements, and is aligned to minimum wage standards.⁶</p> |  <p>Often shift work that can be changed at the discretion of the employer, but also the employee. This work provides no guaranteed hours of work or paid leave. This work provides access to superannuation entitlements and is aligned to minimum wage standards.⁷</p> |  <p>Contract work that can be fixed term or ad-hoc, where a worker effectively acts as a small business, selling their time/experience to organisations. There is no legal obligation for the provision of minimum wage standards, paid leave or superannuation entitlements for the worker.</p> <p><small>*(WITHOUT EMPLOYEES) OR 'INDEPENDENT CONTRACTOR'</small></p> |  <p>Short-term, project or task-based work that is often referred to as on-demand, sharing or peer-to-peer work. It is commonly defined as work that uses digital platforms to match people that need work done with people who want to do that work - for example Uber or Airtasker.⁸ This work has no legal obligation for provision of access to minimum wage standards, paid leave or superannuation entitlements for the worker.</p> |

Figure 1: How flexible work sits across the Australian labour regulatory system



*"Young people are more willing and open to jumping into flex work, because they need the money."**

AUSTRALIA'S BINARY SYSTEM

While Australia's regulatory system considers work through a binary framework – where workers are considered as either employees or independent contractors – flexible work sits across both domains. For some young Australians in flexible work, they have access to benefits and entitlements associated with being an 'employee'. But for others, these entitlements do not apply as they are classified as independent contractors.

WHAT WE LOOKED FOR AND WHERE

When FYA first commenced this research report, we aimed to better understand the relationship young people have with flexible work by investigating the following:



The trends in flexible work, including exploring emerging trends in gig work



The drivers and motivations behind flexible work



The relationship between flexible work and quality work, and



The potential solutions that can empower young people to thrive in flexible work

As this report launches, the global economic settings are rapidly changing and much remains unknown – we can't predict how the labour market will react or respond. Yet even before COVID-19, it was difficult to get a true picture of flexible work in Australia.

While there are a range of data sources in Australia and globally that have helped to understand people's experiences in part-time, casual and self-employed work, this report found there is limited data available to truly understand the experiences of young people, especially in gig work, in the Australian context and globally.

FYA has drawn on the Victorian Government's On-Demand Inquiry,⁹ research from the Grattan Institute,¹⁰ data from the Household Income Labour Dynamics in Australia survey (HILDA) and the Australian Bureau of Statistics, a global review of literature about flexible and quality work as well as a number of focus groups and interviews with young Australians to inform the findings of this report.

However, given the challenges with representative and long term data analysis, this report should be viewed as a snapshot of young people in flexible work, but not necessarily representative of all their experiences.

* The quotes that appear throughout this report were gathered from a series of focus groups and telephone interviews FYA and YLAB conducted in May/June 2020 with young people who work in the flexible economy.

THE WAY WE ENGAGE WITH WORK IS CHANGING

Prior to the onset of COVID-19, the changing needs and attitudes of organisations and workers, coupled with technological changes, was shifting the way we engaged in work overall, but particularly with flexible work in Australia.

Flexible work was changing the way organisations chose to solve a number of challenges.¹¹ For some, employing flexible workers was improving their ability to respond to fluctuations in demand to products and services, better manage labour costs and hire skilled talent on-demand.¹²

For smaller businesses, it provided access to talent as needed as well as the option to outsource many routine or manual tasks to free up time and other resources.¹³ Although we are yet to see the longer term impacts of COVID-19, it is plausible to expect this approach to managing labour requirements will continue, if not grow.

Coupled with this, and prior to COVID-19, demography trends were reshaping the workforce and this was resulting in a shift in worker attitudes toward flexible work.

The Australian labour market saw increases in workers who had different working needs and expectations, and who arguably could not participate in the workforce without those needs being met – for example, people (often women) with responsibility for the care of children or ageing relatives; growing numbers of post-secondary students looking for income while they study, and older workers desiring less time-demanding work.

“More young Australians are opting for a more flexible working lifestyle, although some stick to the traditional pathway. It will be interesting to see where the economy ends up in the next 10 years and whether businesses will have to change to adapt to how young Australians are working.”



“Its not stable enough, you can't estimate what you'll get for the week.”

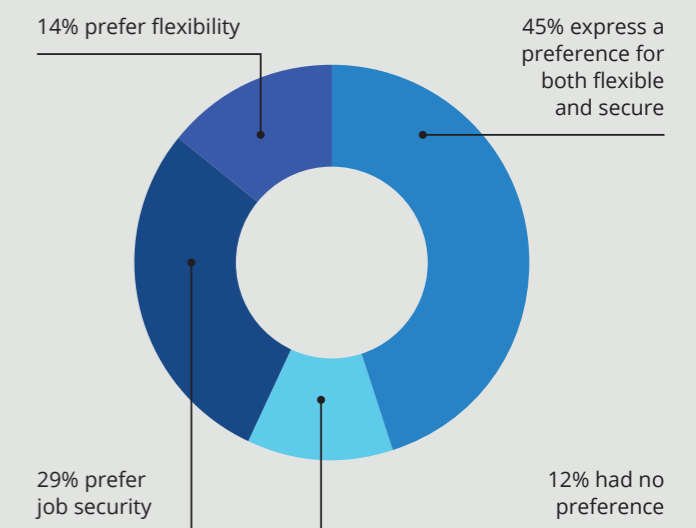
CHANGING ATTITUDES AND PREFERENCES

Prior to COVID-19, a study of independent work across the United States and 15 European Union countries¹⁴ found that for every independent (or self employed) worker who wanted a traditional nine to five job, more than two traditional workers hoped to shift in the opposite direction.¹⁵

Interestingly, and again prior to COVID-19, workers in Australia increasingly valued flexibility but also maintained a desire for security¹⁶ – security of tenure as well as the benefits and entitlements that provide protection and support for unforeseen circumstances, such as sickness or time with family.

Data collected through HILDA showed that while 14% of Australian workers expressed a strong preference for flexibility and 29% express a strong preference for job security, the overall majority – 45% – expressed a preference for both.¹⁷

Figure 2: Workers preferences in Australia

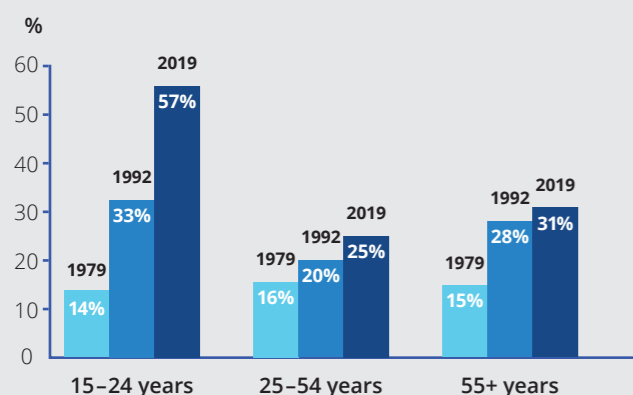


Source: AlphaBeta (2019), "Flexibility and fairness: What matters to workers in the new economy".

YOUNG PEOPLE'S ENGAGEMENT WITH FLEXIBLE WORK

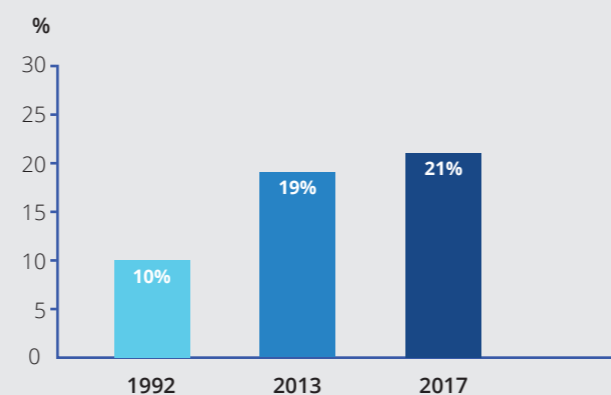
WHAT WE FOUND PRE COVID-19

Figure 3: Part-time employment by age



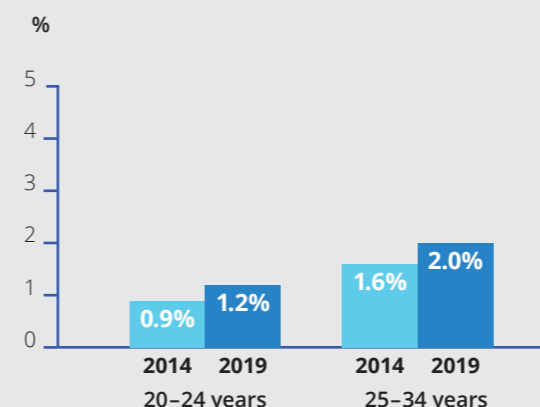
Source: Australian Bureau of Statistics (1979 - 2019), Labour Force, cat. no. 6291.0.55.003. Available at: <https://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6291.0.55.003Feb%202019?OpenDocument>

Figure 4: Young people in casual employment without benefits



Source: Found in FYA's *The New Work Reality* report - Australian Bureau of Statistics (1992-2013), Australian Labour Market, cat. No. 6105.0. Australian Bureau of Statistics (1978-2018), Labour Force, cat. no. 6202.0. LSAY 2006-16cohort, AlphaBeta analysis.

Figure 5: Percentage of independent contractors compared to total employed persons by age



Source: Australian Bureau of Statistics (2004 - 2019), Labour Force, cat. no. 6333.0. Available at: <https://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6333.0August%202019?OpenDocument>



Part-time work

There has been a growing trend towards part-time employment in Australia. Since 1992 the share of part-time employment has increased from 23% to 31% of the workforce.¹⁸

For younger workers in part time work, the share increased from just 33% of employment in 1992 to more than 57% in 2019, with these workers often citing study as their main reason¹⁹ (more than 50% of 15-24 year olds are enrolled in full-time education, which has increased from 30% in the mid 1980s.²⁰)

Research undertaken by the Reserve Bank of Australia (RBA) found that while many people were working part-time despite wanting to work full-time, the majority were actually choosing to work part-time.²¹ This choice is driven by caring responsibilities (for children or parents), the need to balance study, or simply preference.²²



Casual work

The share of the overall workforce in casual employment grew significantly from the 1980s to the 1990s, yet despite perceptions to the contrary, had remained stable for more than 20 years at around 20%.²³

However, in contrast for young people, there had been a further shift towards casualisation in the past decade. The number of young people in any form of casual employment was estimated to have increased from 15% of 25 year-olds in 2009 to almost 20% in 2016.²⁴

While casual employment may be a preferred option for some (perhaps due to study or care commitments) for others, it is driven by necessity, due to the inability to find more secure work. Since 1992, the number of young people estimated to be in full-time casual employment without access to the security or benefits of permanent work has doubled.²⁵



Self-employed (no employees) or independent contractor

Also known as contracting or subcontracting, an independent contractor is self-employed and provides services to clients.²⁶

The Australian Bureau of Statistics (ABS) distinguishes between self-employed with employees (i.e. running a business with employees), or self-employed with no employees (i.e. an independent contractor).²⁷

In 2017, self-employment accounted for more than 18% of total employment (2.1 million workers), and almost 60% of those had no employees.²⁸

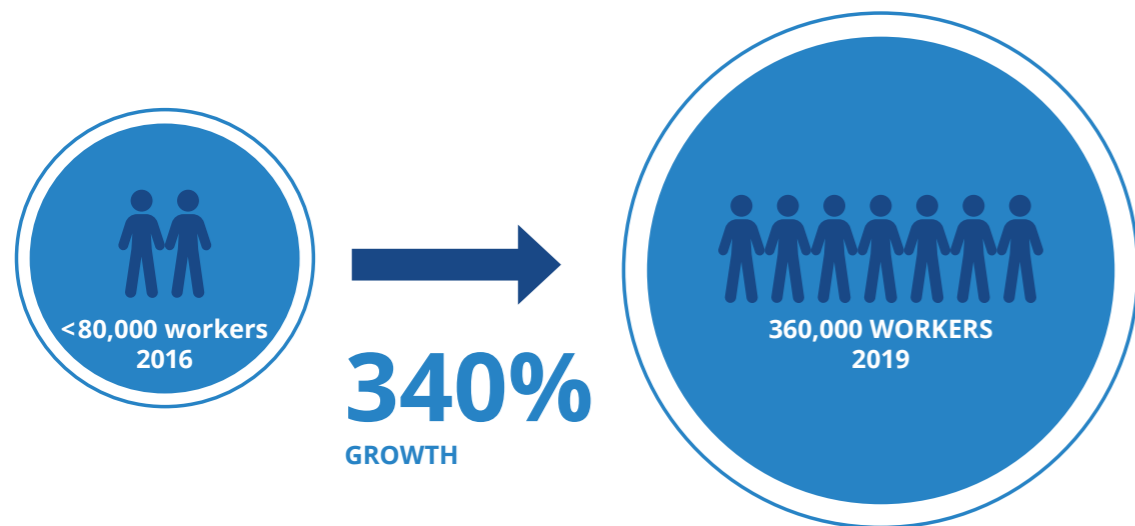
For young people, independent contract work appears to have remained steady over the past five years, with the exception of some small growth in part-time contracting – a shift across all age brackets.²⁹

According to analysis conducted by the Centre for Future Work at the Australia Institute, the overall share of self-employed workers who were working part-time hours grew from 32% to 37% from 2012 to 2017.³⁰

This analysis also found that real earnings for self-employed workers (with no employees) working part-time declined from \$719 per week to \$528, representing a reduction of 26.5% in real earnings (in 2017 dollars).³¹



Figure 8: Growth of the gig economy



Source: Grattan Institute (2016), "Peer-to-peer pressure: Policy for the sharing economy."
 Victorian Government Department of Premier and Cabinet - Inquiry into the Victorian On-Demand Workforce (2019),
 "Digital Platform Work in Australia: Preliminary findings from a national survey."
 AlphaBeta (2019), "Flexibility and fairness: What matters to workers in the new economy". Equity Economics Analysis.

"There is limited upward mobility in flexible work."



Gig work

FYA has estimated there were approximately 360,000 Australians working in the gig economy on a monthly basis, prior to COVID-19.³²

While representing only 2.2% of the adult working population, the size was significant because it represented a 340% growth since estimates from 2016.³³ Young people (18-34 years-old) represented 53% of gig workers, compared to 38% of the overall workforce.³⁴

This rapid growth could be explained by the growing number of digital platforms in Australia - such as Deliveroo, UberEats and Ola - as well as the changing attitudes and needs of workers and consumers. Uber had increased its number of "partner drivers" from 20,000 in late 2015 to 60,000 as of March 2019³⁵ and Airtasker's membership has tripled from 2014 to around 320,000 members in 2019.³⁶

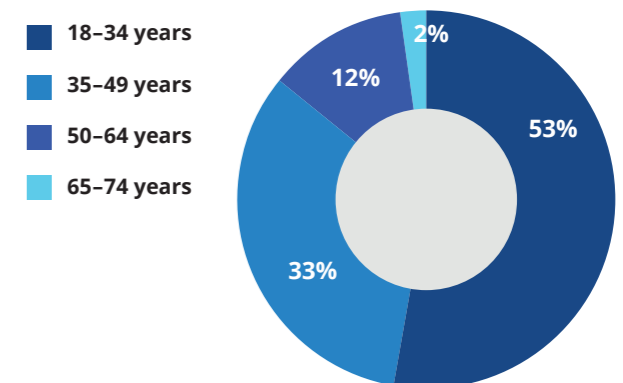
More than half of gig workers on digital platforms had a bachelors or higher degree,³⁷ perhaps indicating that some workers were engaging in gig work as they were unable to secure employment in their skill area or that they were supplementing their income from work that did utilise their qualification.

The gig economy also has a strong representation of workers from non-English speaking backgrounds,³⁸ which may be a reflection of the lower barriers to entry compared to traditional employment.³⁹

Interestingly, 5% of the gig economy workforce defined themselves as unemployed and 9% defined themselves as not in the labour force at all.⁴⁰

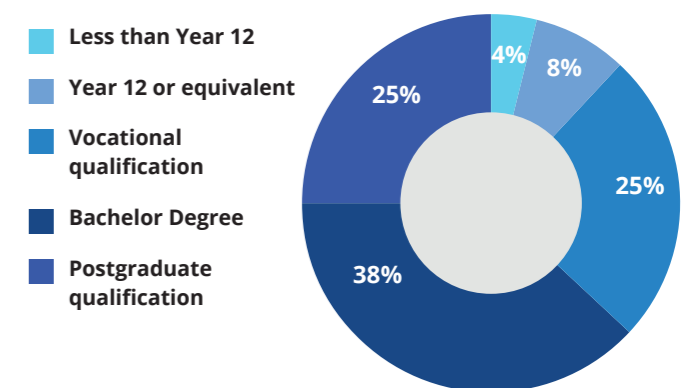
While further information needs to be collected on the regularity in which workers engage in gig work, these findings indicate the need to redefine what constitutes work and jobs. Instead of a binary employed or unemployed status, gig workers may not identify their work as fitting into either category.

Figure 9: Workers in the gig economy by age



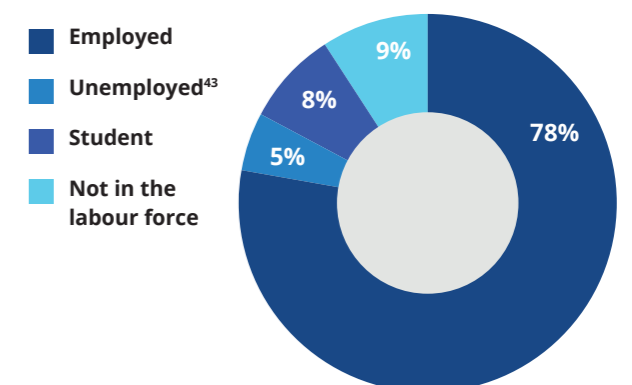
Source: Victorian Government Department of Premier and Cabinet - Inquiry into the Victorian On-Demand Workforce (2019), "Digital Platform Work in Australia: Preliminary findings from a national survey."

Figure 10: Highest education level of gig workers



Source: Victorian Government Department of Premier and Cabinet - Inquiry into the Victorian On-Demand Workforce (2019), "Digital Platform Work in Australia: Preliminary findings from a national survey."

Figure 11: Labour force status of gig workers



Source: Victorian Government Department of Premier and Cabinet - Inquiry into the Victorian On-Demand Workforce (2019), "Digital Platform Work in Australia: Preliminary findings from a national survey."

THE EMERGING WORK IDENTITIES

FYA's *New Work Order* series has demonstrated that career pathways for young people look very different to those of their parents. Instead of a few jobs across a single career pathway, it is estimated that a young person today will have approximately 18 different jobs over six different careers in their lifetime.⁴¹

We don't believe the impact of COVID-19 is likely to change this – in fact, young people may have more jobs as a result of an extended transition from education and training to work.



Some of these jobs may be traditional full-time roles, but increasingly – before COVID-19 – young people were engaging in flexible work at some point in their careers. Again, while it is too early to run any robust forecasts over the labour market, it is plausible to anticipate that flexible work options could become more attractive to employers during uncertain economic times, rather than less, resulting in many young people having no choice but to engage in flexible work.

While flexible work didn't dominate Australia's labour market⁴² before the pandemic began to take its toll, it certainly was providing some new insights into the variety of ways in which young Australians were accessing and engaging with work.

McKinsey Global Institute (MGI) recognised a gap in labour statistics from around the world, questioning whether a simple binary view of workers being either 'full-time' or 'other' adequately captured millions of people's experience in the workforce.⁴³

In order to develop a richer picture of the 'other' and the challenges and benefits workers in this category experienced, MGI surveyed 8,000 respondents across the US and European Union to identify two motivating factors for engagement in 'independent work'.

The first was whether the worker draws their primary or supplementary income from engaging in the work. The second was whether the work is undertaken by choice (i.e. they enjoy or seek out flexibility) or by necessity (i.e. they are unable to secure anything else).⁴⁴

Through identifying these two motivating factors the research was able to develop four segments of independent workers. Put simply, it identified that flexible workers cannot be seen as one, homogenous group.

Figure 12: The four segments of independent workers



Source: McKinsey & Company (2016), "Independent Work: Choice, Necessity and the Gig Economy".



THE MANY WAYS AUSTRALIA'S YOUNG PEOPLE ARE WORKING FLEXIBLY

Building on the MGI findings, FYA sought to better understand the how and why of young people's engagement with flexible work in Australia.

By incorporating the insights from the Victorian Government's On-Demand Workforce Inquiry on motivations for engaging in gig work, as well as qualitative data collected from focus groups with young people, an important insight was established.

For young people, engaging in flexible work is not always solely about income – it is increasingly considered as the chance to build skills and manage work that meet both professional as well as personal objectives. Interestingly, engagement FYA has had with young people engaging in flexible work as the impacts of COVID-19 unfolded suggest that this has not changed.

Therefore, FYA sought to understand young people's motivations for engagement in flexible work using three key criteria:

INCOME
Whether the work is primary or supplementary income for a young person

CHOICE
Whether the work engaged by the young person is by choice (i.e. they enjoy or seek out flexibility) or by necessity (i.e. they are unable to secure a preferable form of work/financial necessity)

GROWTH
Whether the work aligns with career or life objectives for the future, or if it is a job to support career or life transitions

Findings from the Victorian On-Demand Inquiry's survey and the ABS as highlighted in figure 13 helps shed light on how workers identify their motivations for engaging in flexible work.

Figure 13: What the data told us before COVID-19

| INCOME | CHOICE | GROWTH |
|--|---|--|
| <ul style="list-style-type: none"> • 59.5% of gig economy workers stated that their reliance on this income was a "nice to have, but can live without it."⁴⁵ • In contrast 20.4% state that it was "essential for meeting basic needs". • The Australian Bureau of Statistics has found that one in four Australians under 30 were working multiple jobs, indicating a larger supplementary reliance for income amongst young people.⁴⁶ | <ul style="list-style-type: none"> • 48.2% of gig economy workers state that financial necessity was very important or important as a motivation for undertaking the work.⁴⁷ • In contrast 44.5% said it was only slightly important or not at all important as a motivation for undertaking the work.⁴⁸ • Additionally 71.6% of gig economy workers state that working the hours they choose was very important or important as a motivation for undertaking the work.⁴⁹ | <ul style="list-style-type: none"> • 53.6% of gig economy workers state that gaining new knowledge or skills, or improving existing skills was very important or important as a motivation for undertaking the work.⁵⁰ • Additionally 53% of gig economy workers also stated that attracting more clients is very important or important as a motivation for undertaking the work.⁵¹ |

"Flexible work gives you the opportunity to be able to move around in different worlds and see what they're really like."

"Young people's experiences in flexible work is so different and varied, so the reason we're in it, and how COVID-19 has impacted it, differs because of our purposes for engaging with it."



THE EIGHT WAYS OF WORKING

Prior to COVID-19, FYA identified eight different ways that young people were engaging in flexible work in Australia. These eight ways took into account both choice and income as well as whether the work met young people's career and life objectives. Each of the eight carry a number of opportunities, but also a number of risks.

Some young people believed before COVID-19 that they identified with more than one and moved from one way of working to another, depending on their own circumstances and available work.

Post the initial impacts of COVID-19, nearly all agreed that the risks young people had identified with flexible work prior to the pandemic were now playing out.

FIGURE 14: Eight Ways of Working in the flexible economy



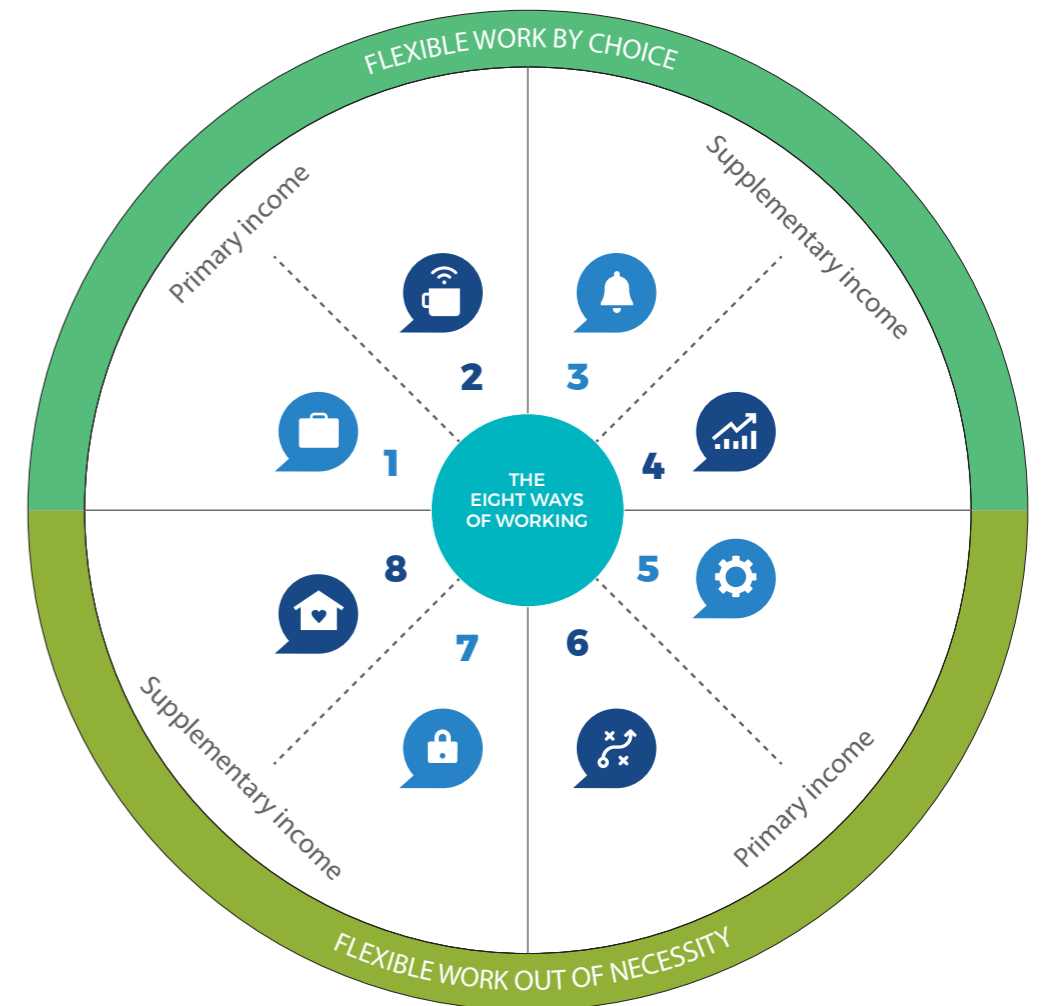
GROWTH

Indicates the job is career-lifestyle aligned



NO GROWTH

Indicates the job is not career-lifestyle aligned





1. CHOICE PRIMARY INCOME NOT CAREER-LIFESTYLE ALIGNED

Might look like:

- Biomedicine student who contracts as a waiter for a catering business
- Contract cleaner who works limited hours to enable time for child-caring responsibilities
- Landscaper who contracts as an air-conditioning installer for better remuneration

Opportunities:

- Autonomy to set own work schedule
- Gain experience, skills and build relationships in fields outside of primary work or qualification area
- Increased portability of skills across roles and industry

Risks:

- May have limited or no access to income security, minimum pay entitlements or leave entitlements
- May have limited or no access to compulsory employer superannuation payments
- May increase difficulty in accessing credit/finance or rental properties due to irregularity/fluctuations in income
- Limited access to referees, potentially limiting portability between roles



2. CHOICE PRIMARY INCOME CAREER-LIFESTYLE ALIGNED

Might look like:

- A graphic design student who freelances while studying
- A graduate who works casually as a facilitator at a youth consultancy, while setting up own business
- Full-time ride-share partner driver who wants to work within the corporate function of a ride sharing business

Opportunities:

- Autonomy to set own work schedule
- Agency to determine collaborators, contractors and partners
- Possible opportunity to set own rate of pay
- Increased portability of skills across roles and industry

Risks:

- |May have limited or no access to income security, minimum pay entitlements or leave entitlements
- |May have limited or no access to compulsory employer superannuation payments
- |Challenge to have the skills acquired undertaking the work recognised or validated
- |May have difficulty in accessing credit/finance or rental properties due to irregularity/fluctuations in income



3. CHOICE SUPPLEMENTARY INCOME NOT CAREER-LIFESTYLE ALIGNED

Might look like:

- A teacher who works as a contract removalist on weekends
- A contract theatre actor who works casually in hospitality for additional income

Opportunities:

- Gain experience, skills and build relationships in fields outside of primary work or qualification area
- Autonomy to set own work schedule
- Earn additional income
- Possible opportunity to set own rate of pay

Risks:

- May have limited or no access to income security, minimum pay entitlements or leave entitlements
- May have limited or no access to compulsory employer superannuation payments
- Limited access to referees, potentially limiting portability between roles
- May have a lack of worker negotiation power or individualisation of negotiation process
- Limited access to opportunities for progression including ways to build skills and networks



4. CHOICE SUPPLEMENTARY INCOME CAREER-LIFESTYLE ALIGNED

Might look like:

- A newspaper part-time photographer who works as a freelance wedding photographer on weekends
- A cafe chef who works occasional shifts with a catering company

Opportunities:

- Autonomy to set own work schedule
- Agency to determine collaborators, contractors and partners
- Earn additional income
- Possible opportunity to set own rate of pay
- Gain experience, skills and build relationships in related field

Risks:

- May have limited or no access to income security, minimum pay entitlements or leave entitlements
- May have limited or no access to compulsory employer superannuation payments
- May have a lack of worker negotiation power or individualisation of negotiation process
- Limited access to opportunities for progression including ways to build skills and networks



**5. NECESSITY
PRIMARY INCOME
NOT CAREER-LIFESTYLE ALIGNED**

Might look like:

- A sales manager who works as a casual babysitter due to lack of work in retail
- A university tutor working as a driver while looking for work

Opportunities:

- Flexible work may have lower barriers to entry compared to traditional employment
- Gain new experience, skills and build relationships in fields outside of primary work or qualification area

Risks:

- May have limited or no access to income security, minimum pay entitlements or leave entitlements
- May have limited or no access to compulsory employer superannuation payments
- May increase difficulty in accessing credit/finance or rental properties due to irregularity/fluctuations in income
- May have a lack of worker negotiation power or individualisation of negotiation process
- Limited access to opportunities for progression including ways to build skills and networks



**6. NECESSITY
PRIMARY INCOME
CAREER-LIFESTYLE ALIGNED**

Might look like:

- A veterinary graduate who works casually as a dog groomer
- A part-time medical receptionist who is seeking a local full-time nursing job

Opportunities:

- Gain experience, skills and build relationships in related field
- Increased portability of skills across roles and industry

Risks:

- May have limited or no access to income security, minimum pay entitlements or leave entitlements
- May have limited or no access to compulsory employer superannuation payments
- May increase difficulty in accessing credit/finance or rental properties due to irregularity/fluctuations in income
- May have a lack of worker negotiation power or individualisation of negotiation process
- Challenge to have skills in role or field recognised or validated



**7. NECESSITY
SUPPLEMENTARY INCOME
NOT CAREER-LIFESTYLE ALIGNED**

Might look like:

- An office manager who works for a food delivery service on weekends
- Part-time personal trainer who also works casually as an office assistant
- Freelance paralegal researcher who works casually in customer service at a gym

Opportunities:

- Flexible work may have lower barriers to entry compared to traditional employment
- Gain experience, skills and build relationships in fields outside of primary work or qualification area
- Earn additional income

Risks:

- May have limited or no access to income security, minimum pay entitlements or leave entitlements
- May have limited or no access to compulsory employer superannuation payments
- Limited access to referees, potentially limiting portability between roles
- May have a lack of worker negotiation power or individualisation of negotiation process
- Limited access to opportunities for progression including ways to build skills and networks



**8. NECESSITY
SUPPLEMENTARY INCOME
CAREER-LIFESTYLE ALIGNED**

Might look like:

- A casual taxi driver works contracts as a courier driver through a service marketplace
- A substitute teacher who works as a tutor after school hours

Opportunities:

- Gain experience, skills and build relationships in related field
- Increased portability of skills across roles and industry
- Earn additional income

Risks:

- May have limited or no access to income security, minimum pay entitlements or leave entitlements
- May have limited or no access to compulsory employer superannuation payments
- May have a lack of worker negotiation power or individualisation of negotiation process

THE IMPACT OF COVID-19

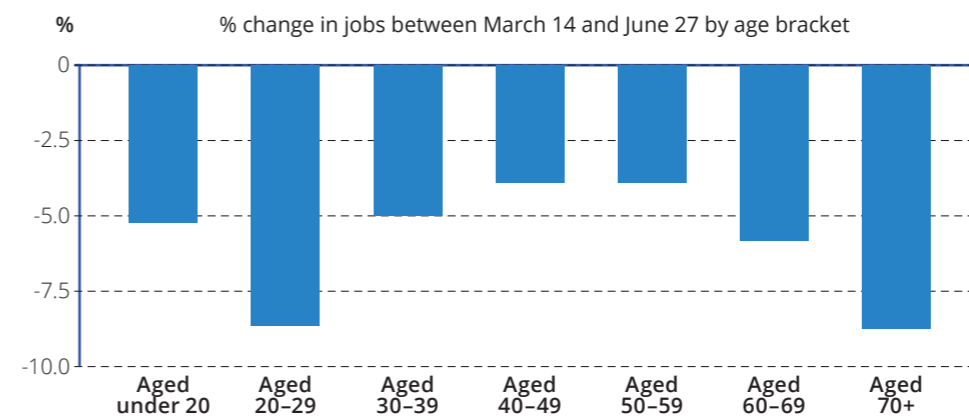
“COVID has exposed smaller inequalities, the things we may not have noticed or been conscious of before, like not everyone has a laptop, not everyone has a quiet space to work, not everyone has an office space, not everyone has good internet. Inequalities start with the smaller things.”

While Australia is still coming to terms with what the longer-term impact of COVID-19 means for jobs and the economy overall, initial job loss data indicates that young people have been disproportionately affected.

As the below figure demonstrates, people aged 20-29 were amongst the hardest hit, with more than 8% loss in payroll jobs between March 14 (the 100th case of COVID-19) and June 27.⁵² Those aged under 20 experienced more than 5% job losses.⁵³

While in some cases these numbers suggest a slight recovery of jobs due to the easing of some COVID-19 restrictions across the country, particularly for those aged under 20 who have been the hardest hit in terms of job losses,⁵⁴ it is difficult to forecast what will happen over the following 12 months.

Figure 15: Job losses between March 14 and June 27 by age bracket



Source: This data has been sourced from ABS who in partnership with the ATO. This indicates loss in payroll jobs. Payroll jobs are those where workers are paid through Single Touch Payroll (STP) software. The data captures most workers in Australia: about 99% of employers with 20 or more workers and 71% of employers with 19 or fewer workers use STP software. ABS (2020), "6160.0.55.001 - Weekly Payroll Jobs and Wages in Australia, Week ending 27 June 2020." Available at: <https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/6160.0.55.001Main+Features1Week%20ending%2027%20June%202020?OpenDocument>



“A lot more people are going to be forced to shelve their dreams moving forward, especially young people, who might have just been getting on track or just about to start life and now have been put behind. If there aren’t appropriate steps taken, that might result in really long term effects on a lot of people.”

To make matters worse, the industries that have been hardest hit by the pandemic are industries that have a disproportionate number of younger employees. For 15-19 year-olds, the accommodation and food services sector provides employment for more than 35% of young working people.⁵⁵ For 20-24 year-olds retail trade, at 18%, and accommodation and food services, at 15%, are the two biggest industry employers.⁵⁶

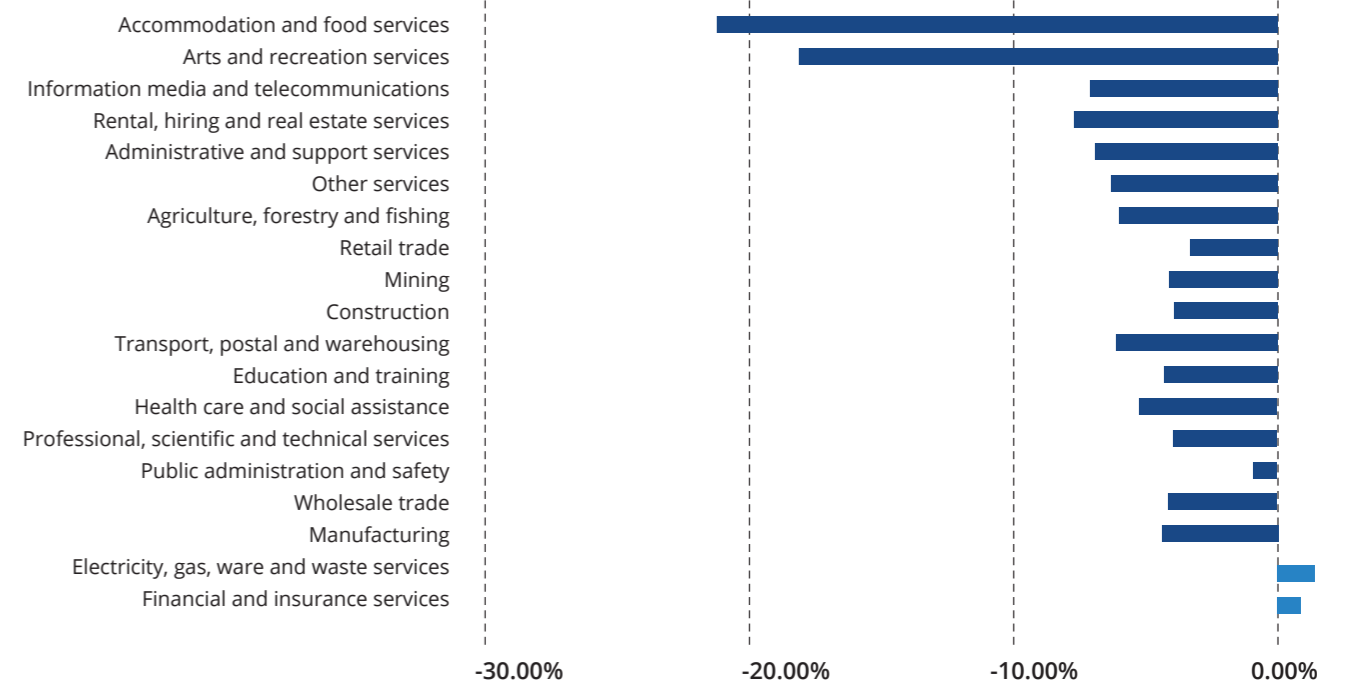
The industries that have been most heavily affected by the shutdown have also been those that have a high proportion of flexible workers – 65% of workers in the accommodation and food services industry and 42% of arts and recreation are casual.⁵⁷

Job losses haven’t necessarily been defined by industry alone, with employment arrangements also having an influence. New analysis from AlphaBeta, utilising data from accounting software firm Xero, highlighted that the number of casual jobs in small business has fallen 25% between the first week of March and the last week of April, compared to 2% for full time and 5% for part time jobs.⁵⁸

In addition to the above factors, young people are expressing concerns about their engagement with flexible work during COVID-19.

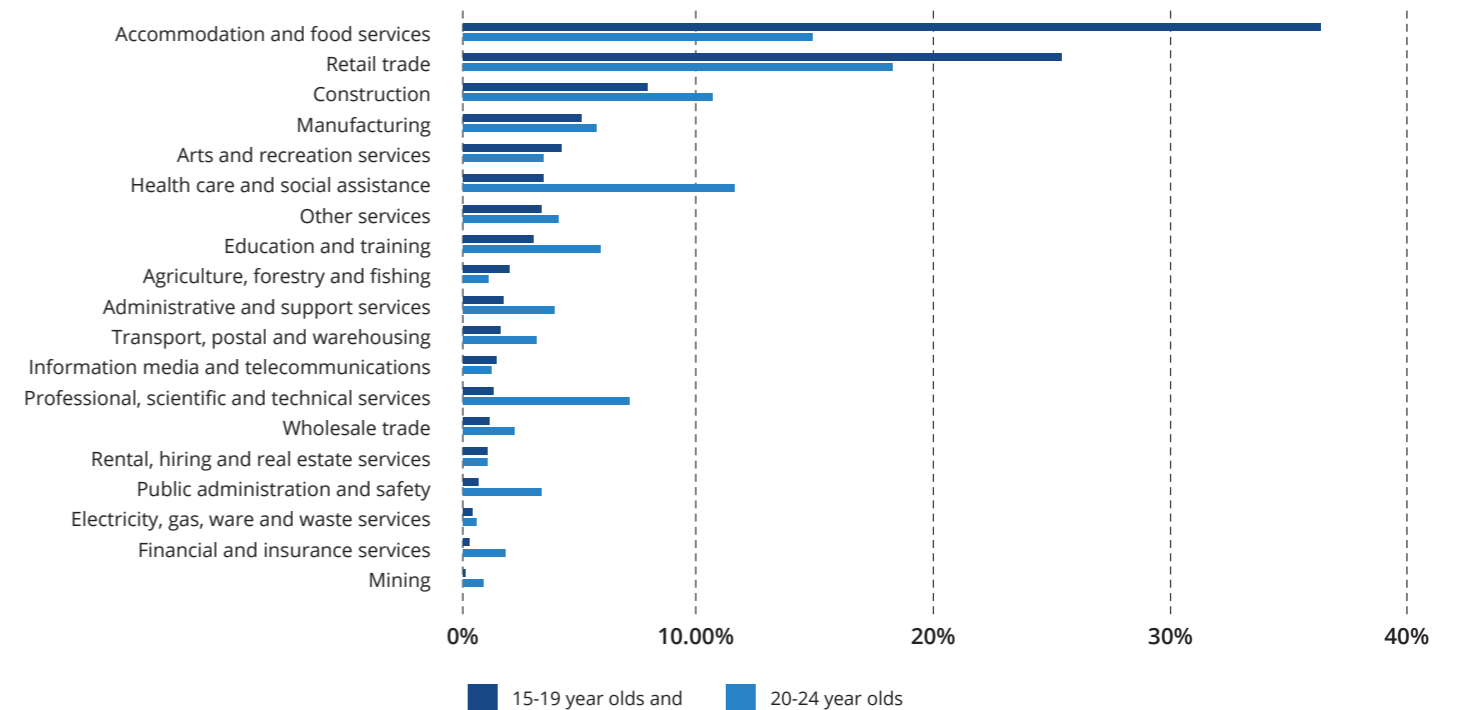
Through a number of focus groups and one-to-one interviews, young people raised concerns with FYA around health risks for those not able to work from home, as well as issues around uncertainty with shifts and working hours. Young people also expressed concerns over lack of access to leave entitlements or information about their circumstances from employers so that they could better understand and negotiate their situations.

Figure 16: Jobs losses by industry between March 14 and June 27



Source: ABS (2020). "6160.0.55.001 - Weekly Payroll Jobs and Wages in Australia, Week ending 27 June 2020." Available at: <https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/6160.0.55.001Main+Features1Week%20ending%2027%20June%202020?OpenDocument>

Figure 17: Employed persons by industry (15–19 and 20–24 year-olds)



Source: ABS(2020). "6291.0.55.003 - Labour force, Australia, detailed, quarterly, Feb 2020: table 6." Available at: <https://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6291.0.55.003Feb%202020?OpenDocument>



“Your capacity to negotiate at the moment is very much dependent on your personal financial position outside of your workplace. If you’re doing it tough you’re not really in the position to say well I don’t accept these extra roles you’re putting on me or I don’t accept these hour cutbacks or whatever, you sort of just have to roll with the punches.”

“I’m in a career rut. I’ve just got my degree but there’s not a lot of job availability right now, so I’m at that point where I’m looking up free online courses just to keep my credentials up to date. I don’t know when I will be able to get a job and by next year, there’s just going to be more people who have fresh degrees looking for work to compete with”.

The table below highlights some of the key issues that have been recently identified through FYA’s focus groups by young people in flexible work as a result of the COVID-19 pandemic.

| | |
|---|--|
| HEALTH RISKS | <ul style="list-style-type: none"> • Overall concern over the perceived health risks for work that could not be done from home. • Some felt they shouldn't return to frontline work for the foreseeable future. |
| INCOME/WORK UNCERTAINTY | <ul style="list-style-type: none"> • Increased uncertainty over income/work hours - many young workers relying on parental support to stay financially stable. • Lack of certainty over work/income has increased for gig workers in particular, who believe there has been an increase and potential oversupply of drivers/riders during this period. |
| LACK OF ACCESS TO LEAVE & OTHER ENTITLEMENTS | <ul style="list-style-type: none"> • Increased awareness and realisation of differences between part-time and casual work entitlements, including annual and sick leave. • General belief that there are inequalities in government safety nets and that they should be extended to cover all workers. • Confusion and frustration for some, particularly those working on digital platforms or in hospitality, who were not eligible for JobKeeper due to their work or employment relationship. |
| LACK OF WORKER NEGOTIATION POWER | <ul style="list-style-type: none"> • Frustration over lack of transparency with organisations over their viability to continue operating or offer future hours - a general feeling of workers not knowing where they stood. • For gig workers - there was a perception that an algorithm shift for a food delivery service preferred workers with cars rather than bikes, reducing the ability to get work. |
| LACK OF MEANINGFUL CONNECTIONS | <ul style="list-style-type: none"> • While acknowledging this is largely due to COVID-19 and the resulting lockdown, it is also a general concern across flexible work. |
| LIMITED ACCESS TO OPPORTUNITIES FOR PROGRESSION | <ul style="list-style-type: none"> • Perception that COVID-19 could make it tougher for career progression if undertaking flexible work. |

WHAT WILL HAPPEN TO THE GIG ECONOMY?

It is not possible to predict what will happen to the gig economy in a post-COVID world. The length and effects of a global recession on digital platforms may mean that they are unable to endure losses and close their metaphorical doors, or conversely it may mean their businesses boom. Anecdotally, respondents from our focus group, particularly those working on food delivery platforms, have highlighted an oversupply of riders in major cities. This is likely indicative of the need to pick up additional income due to the high job losses Australia has experienced, particularly in the Accommodation and Food Services industry.

LESSONS FROM THE PAST

Brazil is an example of a country where the gig economy operates and has weathered a recession during 2015/16. Although Brazil has a substantially different labour market to Australia, it provides insight into the effects of a recession on the gig economy workforce both during and after the crisis.

The McKinsey Global Institute estimates that 30 to 45% of the working-age population of Brazil was underutilised in 2018. In contrast, earnings in the gig economy is estimated to have grown by 48% in 2019 from 2018 numbers. Indicating that as the availability of traditional or more secure jobs declines, workers tend to take advantage of the opportunity to earn income that the gig economy offers.

.....
 Sources: McKinsey Global Institute (2018), "Preparing Brazil for the future of work." Available at: <https://www.mckinsey.com/~media/McKinsey/Featured%20Insights/Future%20of%20Organizations/Preparing%20Brazil%20for%20the%20future%20of%20work%20jobs%20technology%20and%20skills/MGI-Future-of-Work-Brazil-Briefing-note.pdf>
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IS FLEXIBLE WORK GOOD WORK?

'Good work' is a multidimensional concept that spans more than income or job security. As the *Eight Ways of Working* identified by this report have highlighted, there is no simple, single answer as to whether flexible work is good work.

Yet it is clear that flexible workers are more exposed to risks than those in traditional employment – as we have seen begin to play out over the recent months due to COVID-19.

Even before COVID-19, risks associated with flexible work were being called out. The OECD had found that in general those engaged in flexible work tended to have lower wages, less employment protection, reduced (or no) access to employer and social benefits, greater exposure to occupational safety and health risks, lower investments in lifelong learning and low bargaining power.⁵⁹

The relative stability of Australia's labor market, partly driven by reforms such as the minimum wage, enterprise bargaining, compulsory superannuation and universal health care⁶⁰, has arguably built the expectation that all Australians are entitled to good quality work – regardless of the source, the nature that they engage with it or the industry it takes place.

However, past approaches for worker protection and driving good quality work have prioritised existing legal definitions of employees, and while they provide robust safety nets for some flexible workers, they are unresponsive to the needs and aspirations of others (as we have seen play out recently with initiatives such as JobKeeper).

As the way we work shifts to include more flexible types of work, coupled with evolving societal expectations and community needs, our traditional understanding is being challenged around not just what makes work good, but how we support workers to obtain it.

By better understanding and enabling good work, it is not just the worker who benefits. Emerging research from the UK has found a correlation between good work and productivity, proving that good work has the potential to benefit both workers, employers and the economy overall.

"So there is that trade off between needing to find work from necessity and then balancing that with the health risks you have been feeling."

"Hidden inequalities are being exposed. They've always been present but that hasn't really been any attention to them. Now it affects more people, it's more extreme."



THE ELEMENTS OF GOOD WORK – WHAT WE FOUND PRE-COVID-19

In order to define the elements that make up good work in Australia, we analysed existing legal frameworks and tests, policy frameworks and voluntary codes, as well as expectations arising from workers surveys and feedback from the workshops. Based on these, we grouped and categorised key worker needs, community expectations and policy goals into four core elements that enable good work:



Access and inclusion



Protection and wellbeing



Quality and control



Growth and development

SETTING STANDARDS FOR GOOD FLEXIBLE WORK - POST COVID-19

The way we work was already evolving, but COVID-19 has thrown into sharp relief how fragile work can be for many workers, across a large number of industries. Young Australians are needing new and different support from organisations, institutions and policy makers to navigate the complexities of flexible work – especially in a changing economy.

As the FYA *Eight Ways of Working* demonstrate, young people who engage in flexible work (either before or during COVID-19) are not a homogenous group, deriving different benefits as well as needing to manage varying and nuanced risks.

Therefore, regulatory and legislative reform on this issue is complex and will take time and meanwhile, many young Australians are facing increasing challenges as they seek to understand and navigate the changing labour market.

THE GOOD WORK STANDARD - ADDRESSING THE GAP

Through analysis of existing standards (including the Fair Work Act and recent decisions of the Fair Work Commission), international conventions, practice and research, fair procurement rules and collaboration with young people and leading thinkers, FYA has developed a Good Work Standard to help address the gap between current regulation and the changing nature of work for young people.

Although its focus is on young people, the Standard puts the needs of all flexible workers at the centre of reform. The Standard's role is not to replace existing legislative or regulatory protections, but rather complement them.

Recognising that there are inherent trade-offs between different types of work, the *Good Work Standard* principally applies to forms of work that are not underpinned by an agreement, award or specific legislation; where risk is primarily worn by the worker; and, where there is control/autonomy over how and when the work is performed.

In short, the Standard has been designed for arrangements that are more akin to gig work, but given the current COVID-19 climate, could also provide a relevant framework for all jobs when considering how to ensure 'good' work.

“Protection and wellbeing is something that’s had a huge spotlight shone on it with COVID-19, with people realising how fragile flexible work arrangements actually can be.”

A MODERN APPROACH TO A MODERN PROBLEM

There are two aspects of the *Good Work Standard* that differentiate it from previous and traditional efforts at improving flexible work:

- It articulates a set of principles that can evolve over time, but remain consistent with the fundamental idea of fairness at work; and
- It offers an immediate way forward without legislative or regulatory change, but could form the basis for both.

The Standard can help set expectations from both the demand and supply side. It can give confidence to organisations to go beyond the minimum of what is required and facilitate good work experiences that allows for attraction and retention of talent, while offering workers the chance to compare and contrast employment opportunities, and if necessary, seek other opportunities better suited to their needs.

“Looking at fair pay and standards, there really is a lack of transparency for a lot of employees across all sectors and systems.”



**THE GOOD WORK STANDARD
FOUR ELEMENTS AND TEN PRINCIPLES**

The Good Work Standard comprises the four elements that our research has identified as enabling good work, supported by a number of principles, which scale up from essential to preferable (as also identified by our research). An individual may have different preferences across the Standard according to how they engage in flexible work - ie: depending on why and how they engage may change the relevance or applicability.

WHY CAREER WORK IS GOOD WORK

Considering career relevance (growth and development) provides a more complete picture of work and is the basis for determining the good work standard.

Reflecting the centrality of remuneration to work, the framework also recognises that some jobs do not contribute to a worker’s career objectives and are at best stepping stones to other forms of work, or at worst, a career cul-de-sac.

This is not to say that even menial or basic jobs can’t lead to skills development - in many cases they do (time management, communication etc). But it reflects the hierarchy of needs that go into job selection and acknowledges that for some young people, any job will do, out of necessity.

| | | |
|--|---------------------------------|--|
| | Access and inclusion | <ul style="list-style-type: none"> • Ability to secure work through an equitable approach to hiring/contracting • Protection against discriminatory practices |
| | Protection and wellbeing | <ul style="list-style-type: none"> • Protection against injury or harm • Access to income security in case of unforeseen events • Provision of support for personal or community events |
| | Quality and control | <ul style="list-style-type: none"> • Fair agreements, contracting and processes for work • Ability to earn a living wage, access to fair pay and standards for wages • Access to opportunities for connection through work, representation and advocacy |
| | Growth and development | <ul style="list-style-type: none"> • Access to opportunities for progression including ways to build skills and networks • Recognition of skill development to increase portability of skills across work |

FLEXIBLE WORK - WHAT SHOULD HAPPEN NEXT?



The continuing impact of COVID-19 is driving debate around the future of work for all Australians, with an increasing focus on job creation.

COVID-19 has exposed the vulnerability of many flexible work jobs – some of which are unlikely to come back soon, in industries such as tourism, hospitality or the arts. It has also highlighted the importance of work that previously may not have been as valued – work such as food and parcel delivery.

FYA believes policy solutions currently being debated as a result of COVID-19 should go beyond the creation or provision of jobs to also include how we create good jobs in the flexible work economy – allowing people access to economically enabling work while building a more resilient economy.

This is a deeply complex issue that has no simple solution and further debate can help ensure all young workers have access to protections and support to minimise risks, while not compromising the opportunities that flexible work can provide.

FYA believes there are three areas that would benefit from further debate and attention from policy makers, businesses, workers and the broader community. As with this report, our focus below is on flexible work.

New sources of data – we require a more contemporaneous read of what is actually happening in the economy.

In undertaking this report, FYA was challenged by a lack of representative and long term data and analysis, particularly in relation to the gig economy.

As the COVID-19 pandemic broke and then continued, this challenge was reinforced by a lack of available real-time data to help understand what is happening with job losses or stand downs, how this impacts workplaces, and what it means for job quality.

While the Australian Bureau of Statistics (ABS) has been admirable in adapting its responses and developing new data sources quickly, there are still gaps in the information collected. We recommend the following be considered:

- Australia's existing national surveys, such as HILDA and ABS employment statistics, be revised and updated to ensure the collection of data that can provide insights for determining the extent and impact of flexible work over time.
- Just as single touch payroll data has enabled the measurement of change, we need to explore ways to measure work quality. Expansion of HILDA could more purposefully explore the dimensions of good work. This could be utilised to understand the workers most at-risk due to poor job quality, allow the measurement of job quality over time and help set targets for improvement at a national level.
- Development of a research program, such as Pulse Checks, that investigates the implications of young people's long-term engagement with flexible work – focussing not just on career impacts, but also the impact on mental health and long-term financial wellbeing.



Figure 18: Policy propositions for the Good Work Standard

| Flexible Work Standard | Policy action |
|-----------------------------------|--|
| Access & Inclusion | <ul style="list-style-type: none"> • Develop policies that support or encourage job creation with a particular focus on transitioning young people back or into work |
| Protection & Wellbeing | <ul style="list-style-type: none"> • Ensure that workplace health and safety policies are relevant to all types of workers, including gig workers (who have become frontline workers during the pandemic) • Extend financial safety nets to all types of workers • Develop or support policies that provide well being or mental health support to flexible workers |
| Quality & Control | <ul style="list-style-type: none"> • Explore portable entitlements such as benefits schemes for leave, superannuation and 'redundancy' • Ensure that there are inclusive policies for flexible workers that cover fair contracting processes, ability to bargain and fair pay |
| Growth & Development | <ul style="list-style-type: none"> • Access to low cost learning or lifelong learning accounts to promote growth and develop and support workers who need to transition to different industries or job roles due to COVID-19 • Explore recognition of skills to ensure their portability across areas of work |

Policy reform – when FYA first embarked on this research report, prior to COVID-19, it was evident policy reform was necessary to best support young people engaging in flexile work.

The impacts of COVID-19 have reinforced the need for better support for young people to navigate flexible work and manage the risks, including understanding tax and superannuation implications, their agency and rights, and where to seek support should they need it. The below table highlights some key ways in which policy makers might consider putting the Good Work Standard into action and improve both access to as well as the quality of jobs in Australia.

Opportunities for businesses and flexible workers. FYA believes the Good Work Standard can help organisations understand how to provide good quality flexible work opportunities and ensure accountability, which in turn, could help improve systems and experiences including recruitment, retention and productivity.

By considering the *Eight Ways of Working* identified in this report, organisations can better understand the motivations and needs of different workers across the Standard. While there are a number of non-negotiable minimum standards that should be afforded to all workers, there are also those that are dependent on the individuals needs and wants.

This allows organisations to apply the Good Work Standard with a level of adaptability, while ensuring all workers can experience good work.

For workers, the Standard can help build a better understanding of what their needs are from any given working arrangement and what can be considered/ requested to ensure they have access to good work.

This includes understanding what the non-negotiable elements of good work are, such as safety at work, compared to other elements that they might be willing to compromise or seek elsewhere, such as the opportunity to develop new skills or connections with co-workers.



APPENDIX: METHODOLOGIES

ESTIMATING THE SIZE OF THE GIG ECONOMY

In order to develop an estimate of the number of workers that engage in the gig economy on a monthly basis, this report has utilised the Victorian Government's On Demand Inquiry survey which highlighted the number of workers that engaged in the gig economy in the past 12 months from a survey of over 14,000 people across Australia and Uber's publicly available information on the number of 'partner-drivers' they engage per month.

The estimate was then prepared by:

1. Identifying the ratio of people working in various platform companies compared with Uber from the Victorian On-Demand survey. For example, there are 1.5 people working on Airtasker for every Uber driver, or 0.5 people working on Uber eats for every Uber driver. The Uber estimates were used as the baseline data as it is the most accurate public data from one of the largest 'gig economy' organisations.
2. Setting a baseline figure for Uber according to its published monthly 'partner-driver' estimate, for example 60,000 'partner-drivers' engaged with Uber during March 2019.
3. Multiply other platform economies by their ratio to the Uber 'partner-driver' estimate. This provides for a total estimate of people working on platforms, however it still double counts workers who are working on more than one platform.

4. To prevent double counting multiply the figures derived from Step 3 by the share of workers who do not work on multiple platforms as identified in the Victorian On-Demand Survey. This provides a total unique count of platform workers per month in 2019.

This allows us to have a more accurate picture of the size of the gig economy, while still taking advantage of the significant amount of high-quality information contained in the Victorian survey. However this report recognises that more detailed research and analysis should be conducted into sizing the gig economy, and the regularity in which better engage in gig work alongside other flexible work or traditional employment.

UNDERSTANDING THE IMPACT OF COVID-19 ON YOUNG PEOPLE

In order to understand how COVID-19 has impacted young people in flexible work, YLAB undertook four focus groups and six phone interviews. This included 26 young people from across NSW, VIC, SA and the ACT. These young people were all flexible workers pre-COVID-19 and were a mix of unemployed and employed, across industries including retail and hospitality, arts and media, food delivery, ride sharing and service provision.

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ENDNOTES

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7. *ibid.*
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