

Annual Wage Review 2020-21

Victorian Government submission

26 March 2021



**Industrial Relations Victoria
Department of Premier and Cabinet
1 Spring Street, Melbourne Victoria 3000
irv.info@dpc.vic.gov.au
© Copyright State of Victoria**

Contents

Introduction	5
Victorian Government Submission – Overview	5
Victorian economic conditions and outlook	6
The Victorian labour market	9
Victorian wages growth and inflation	11
Australian outlook	12
International outlook	13
Uneven economic impact of the coronavirus (COVID-19) pandemic	14
Variable industry impacts – industry and employment	14
The gendered economic impact of coronavirus (COVID-19)	16
Employment	16
Workforce participation	17
Factors behind gendered economic impact of COVID-19 – more affected and slower to recover	18
Award reliance, casualisation and the gendered economic impact of Covid-19	21
Government support and COVID-19 response	23
Victorian Government support for Victorian women	24
Impact of coronavirus (COVID-19) on marginal cohorts in Victoria	25
Young People	27
Older workers	28
Aboriginal Victorians	29
People with disability	30
Culturally and linguistically diverse	31
Rural and regional Victoria	33
Outer suburban Melbourne and areas of entrenched disadvantage	33
The Victorian Jobs Plan	34
Getting Victorians back to work	35
Targeted support for affected workers and business	35
Conclusion	36

List of Figures

Figure 1: Contribution to Victoria's GSP growth, 2016-2020 (financial years).....	7
Figure 2: Unemployment, underemployment and underutilisation rates, Victoria (per cent)	10
Figure 3: Average annual wages growth by industry, Victoria (per cent).....	11
Figure 4: Change in employment by industry, February to August 2020, Victoria, per cent.....	15
Figure 5: Fall in employment.....	17
Figure 6: Fall in workforce participation rates – Comparison between Melbourne, Victoria and Australia.....	18
Figure 7: Change in payroll jobs by industry (March 2020 to October 2020)	19
Figure 8: Women and men's workforce composition by industry in Victoria	20

List of Tables

Table 1: Summary of IMF's global economic forecasts (a) (per cent).....	13
Table 2: Job postings by occupation.....	20
Table 3: Average monthly number of job postings in Victoria by industry.....	21

Introduction

- 1 In establishing and maintaining a safety net of fair minimum wages, the Fair Work Commission (FWC) is required to consider:
 - the performance and competitiveness of the national economy, including productivity, business competitiveness and viability, inflation and employment growth; and
 - promoting social inclusion through increased workforce participation; and
 - relative living standards and the needs of the low paid; and
 - the principle of equal remuneration for work of equal or comparable value; and
 - providing a comprehensive range of fair minimum wages to junior employees, employees to whom training arrangements apply and employees with a disability.
- 2 These matters are dealt with throughout the Victorian Government submission, with a strong and necessary emphasis on the impact of coronavirus (COVID-19) on the Victorian economy, industry and the workers most affected by the pandemic.
- 3 The Victorian Government considers that insecure or precarious employment in Australia is too prevalent, and its adverse impacts on individual workers and the broader community warrants intervention by government, whilst still ensuring that entrepreneurial and innovative businesses are encouraged.

Victorian Government Submission – Overview

- 4 The Victorian Government is strongly focused on economic recovery. It is also focused on directing opportunities to our most marginalised groups. The Victorian Government submits that in the Annual Wage Review (AWR) 2020-21, a reasonable increase of two per cent to the National Minimum Wage and award minimum wages will assist those on low incomes in Victoria to recover from the impacts of coronavirus (COVID-19), counteract an increase in inequality due to the health crisis and help the Victorian economy to recover from the pandemic – particularly with the imminent cessation of Commonwealth Government support to Victorian workers, employers and job seekers affected by the pandemic.
- 5 This Victorian Government submission to the Annual Wage Review 2020-21 sets out:
 - the International, Australian and Victorian economic outlooks and Victorian labour market outlook and forecasts
 - that the Victorian economy and labour market will be entering 2021 in a subdued position
 - that in this environment, a reasonable increase of two per cent to all minimum wages would be appropriate, to support those employees who been most affected by the coronavirus (COVID-19) pandemic

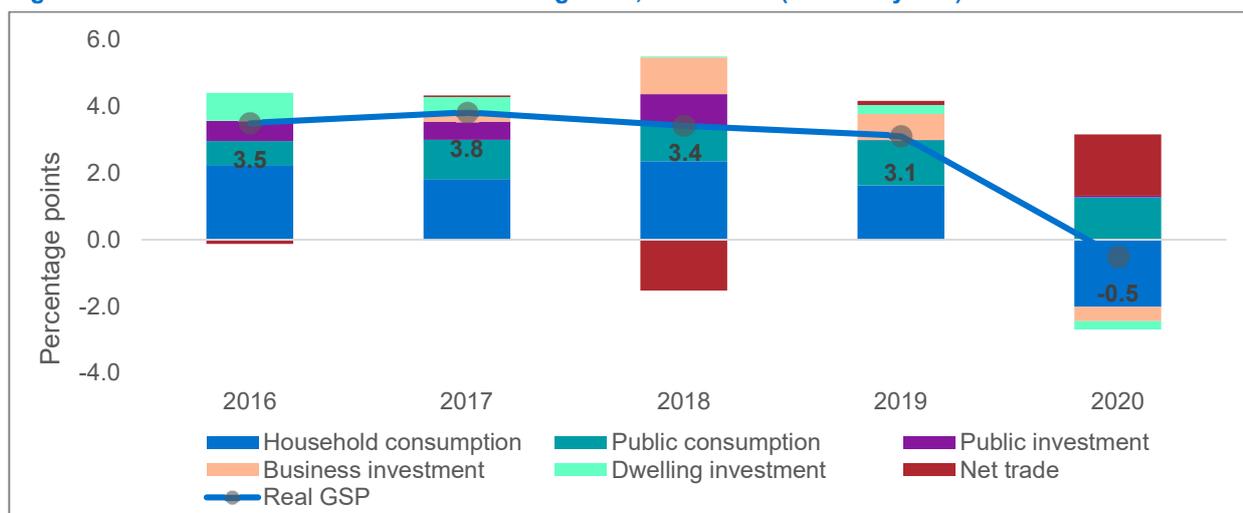
- that Victorian women have been disproportionately impacted by coronavirus (COVID-19) – in part due to the insecure nature of their work – and the economic gap between men and women has widened
- that the economic downturn resulting from coronavirus (COVID-19) has worsened existing labour market inequalities, in particular for casual or insecure workers
- that an increase of two per cent to all minimum wages will help to counterbalance increases in income inequality due to the downturn and provide opportunities for those from marginalised cohorts to rebuild their savings, increase their economic participation and be more economically secure when reaching retirement age
- other measures that complement the AWR objectives regarding performance of the national economy, including productivity, business competitiveness and viability, and employment growth:
 - the Victorian Jobs Plan that will provide a targeted, timely economic stimulus that ‘kick-starts’ the economy – getting more Victorians back to work and laying the foundations for a more inclusive and innovative economic recovery; and
 - targeted support for business provided by the Victorian Government, reflecting the significant role that small and medium sized firms play in the Victorian economy and that are a major source of employment, particularly in those industry sectors that have been the most affected by coronavirus (COVID-19). The New Jobs Tax Credit will offset any cost increases, including increases to minimum wages, for small and medium sized firms.

6 Further commentary in relation to these points is set out below.

Victorian economic conditions and outlook

- 7 Heading into the coronavirus (COVID-19) pandemic, Victoria’s economy had been performing well, with strong employment growth, low unemployment across the state and high levels of investment.
- 8 After five consecutive years of above-trend growth and 27 uninterrupted years of positive economic growth, Victoria’s economy contracted in 2019-20. Real gross state product (GSP) fell by 0.5 per cent, slightly weaker than the national decrease of 0.2 per cent. All components of GSP, except public consumption and net trade, declined in 2019-20 (Figure 1).

Figure 1: Contribution to Victoria's GSP growth,¹ 2016-2020 (financial years)



Source: ABS Cat. No. 5220, Department of Treasury and Finance, Victoria.

- 9 Economic activity remained subdued in the September quarter 2020. Victoria's state final demand (SFD) fell by 0.9 per cent in the quarter as public health restrictions necessary to save lives and support sustainable economic recovery limited activity across a range of consumer service sectors. Public demand was the only component of SFD that grew in the quarter.
- 10 Beginning in the December quarter, economic activity started to recover, supported by the easing of public health restrictions, ongoing Government support to households and businesses, and low interest rates. Victorian state final demand (SFD) rose by a record 6.8 per cent in the December quarter, with increases in all components of domestic demand. This was supported by the easing of public health restrictions, recovery in employment, and government support payments. However, SFD remained around 3 per cent below the levels in March 2020.
- 11 The labour market has also been recovering strongly since late 2020. Victoria's employment rose by 236 800 people since the trough in September 2020 and full-time employment exceeded pre-pandemic levels in February. The unemployment rate fell to 5.6 per cent to be the lowest since March 2020, despite an elevated workforce participation rate at 66.6 per cent.
- 12 A rebound in Victoria's economic and employment growth rates is expected to continue across 2021 and beyond, underpinned by high levels of government support, and the Reserve Bank of Australia's (RBA) commitment to maintaining historically low interest rates – through an ongoing low cash rate and its program of quantitative easing first announced in November 2020.
- 13 However, some constraints on recovery will remain in 2021. National borders are expected to remain closed to migrants and tourists for some time, the global economy will likely remain subdued, and a degree of consumer and business caution is likely to remain.

¹ Excludes balancing item, ownership transfer costs and statistical discrepancy.

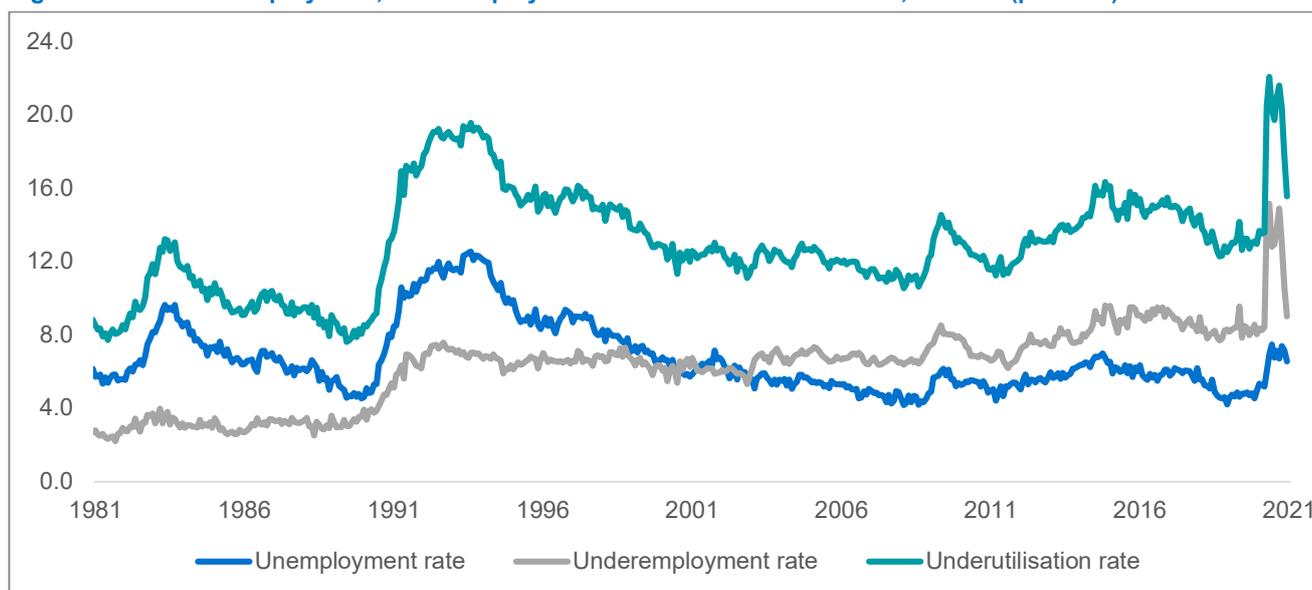
- 
- 14 As outlined in the *2020-21 Budget*, Victoria's GSP is forecast to fall by 4.0 per cent in 2020-21, before recovering by 7.75 per cent in 2021-22. It is then forecast to continue to recover over following years as remaining spare capacity in the economy is absorbed.
 - 15 In annual terms, household consumption is forecast to detract from growth in 2020-21 before rebounding strongly in 2021-22. Activity restrictions and ongoing consumer caution in the first half of 2020-21 is estimated to have dragged on spending, while the easing of restrictions and improvement in labour market conditions will support growth in the second half of the year.
 - 16 Victorian household income and saving improved in 2019-20 driven by government income support measures. Support for household cash flow has primarily come from the JobKeeper program, increased social assistance payments and the ability of households to make early withdrawals from superannuation accounts.
 - 17 Public demand is expected to make a solid contribution to GSP growth in 2020-21, with increases in both public consumption and investment. Growth in public consumption will be driven by coronavirus related spending, while growth in public investment will be led by elevated levels of infrastructure spending.
 - 18 The outlook for dwelling investment is subdued in the near term, driven by earlier falls in house prices and lower population growth. As outlined in the *2020-21 Budget*, dwelling investment is forecast to detract from growth in 2020-21 and 2021-22. Subdued economic conditions, the impact of closed borders and lower house prices will weigh on near term growth. Dwelling investment is expected to contribute positively to GSP growth from 2022-23 as house prices recover and population growth picks up.
 - 19 Business investment is expected to be weak in the near term as uncertainty and a subdued economic environment weigh on investment decisions. In 2020-21, business investment is forecast to detract from growth led by a decline in machinery and equipment investment. Total business investment is expected to contribute to growth from 2021-22, consistent with improving economic recovery. The longer term outlook for business investment is clouded by potential structural changes to the way people work and shop following the pandemic. These dynamics will take time for individuals and businesses to adapt to.
 - 20 Victoria's trade in goods and services has fallen sharply since the outbreak of the coronavirus pandemic. Net trade is expected to contribute to GSP growth in 2020-21, with the drop in imports outweighing the fall in exports. Weaker global demand will reduce Victorian goods exports while weak household consumption and private investment will constrain goods imports. Services trade, particularly in tourism and education has been affected by the restrictions on international travel and is unlikely to recover until international travel restrictions are eased. Goods imports are expected to recover gradually in line with recovery in domestic demand.
 - 21 Victoria's population growth is expected to slow in the near term, driven by the closure of international borders and subdued economic conditions. In 2020-21, population is forecast to increase by 0.2 per cent, compared with an average of 2.1 per cent over the five years to 2019-20. As international borders re-open, and confidence in the economic outlook improves, population growth is expected to gradually pick up, but remain below pre-coronavirus rates for some time.

- 
- 22 Risks to the Victorian economic outlook for the next one to two years are unusually elevated, and mainly relate to the spread of the pandemic and the success of vaccine rollouts – and related changes in monetary and fiscal policy responses – both domestically and globally.
- 23 Looking to the medium and longer term, Victoria's outlook remains supported by sound fundamentals, including a well-educated workforce and a business-friendly institutional environment. In addition, population growth is expected to improve as international borders re-open, although future levels of net overseas migration remain uncertain.

The Victorian labour market

- 24 The coronavirus pandemic and related public health restrictions have had a major impact on the Victorian labour market. Victoria and other Australian states enacted public health restrictions from late March 2020 which led to job losses and an increase in the unemployment rate.
- 25 While policy responses have helped to cushion the impact, employment losses have still been significant. For Victoria, this occurred in two phases. In the first phase in April and May 2020, employment fell by almost 200,000 persons (5.8 per cent), as nationwide restrictions and consumer caution curbed economic activity. Nationally, employment fell by more than 870,000 (6.7 per cent) over the same period. As restrictions were gradually eased, around a quarter of Victorian employment losses over April and May were recovered in June and July. The second phase of restrictions from July produced a further, but smaller, fall in employment. Employment fell by a cumulative 86,200 persons over August and September, taking employment below its earlier May trough.
- 26 Unemployment rose sharply over this period (Figure 2). The increase could have been higher in the absence of the JobKeeper program and without a fall in the workforce participation rate. The Victorian unemployment rate increased from 5.2 per cent in the March quarter to 6.9 per cent in the September quarter. There were 197,200 fewer Victorians in the workforce in the September quarter compared with the March quarter, as the labour market deteriorated and public health restrictions impeded job searches. This lowered the participation rate from around record high levels of 66.5 per cent of the working age population in the March quarter to 63.7 per cent in the September quarter.
- 27 Measures of labour market underutilisation also rose sharply during the two phases of Victoria's public health restrictions. The labour force underutilisation rate increased by 7.1 percentage points to 20.7 per cent from the March to the September quarter. Both male and female labour force underutilisation increased in the period.

Figure 2: Unemployment, underemployment and underutilisation rates, Victoria (per cent)



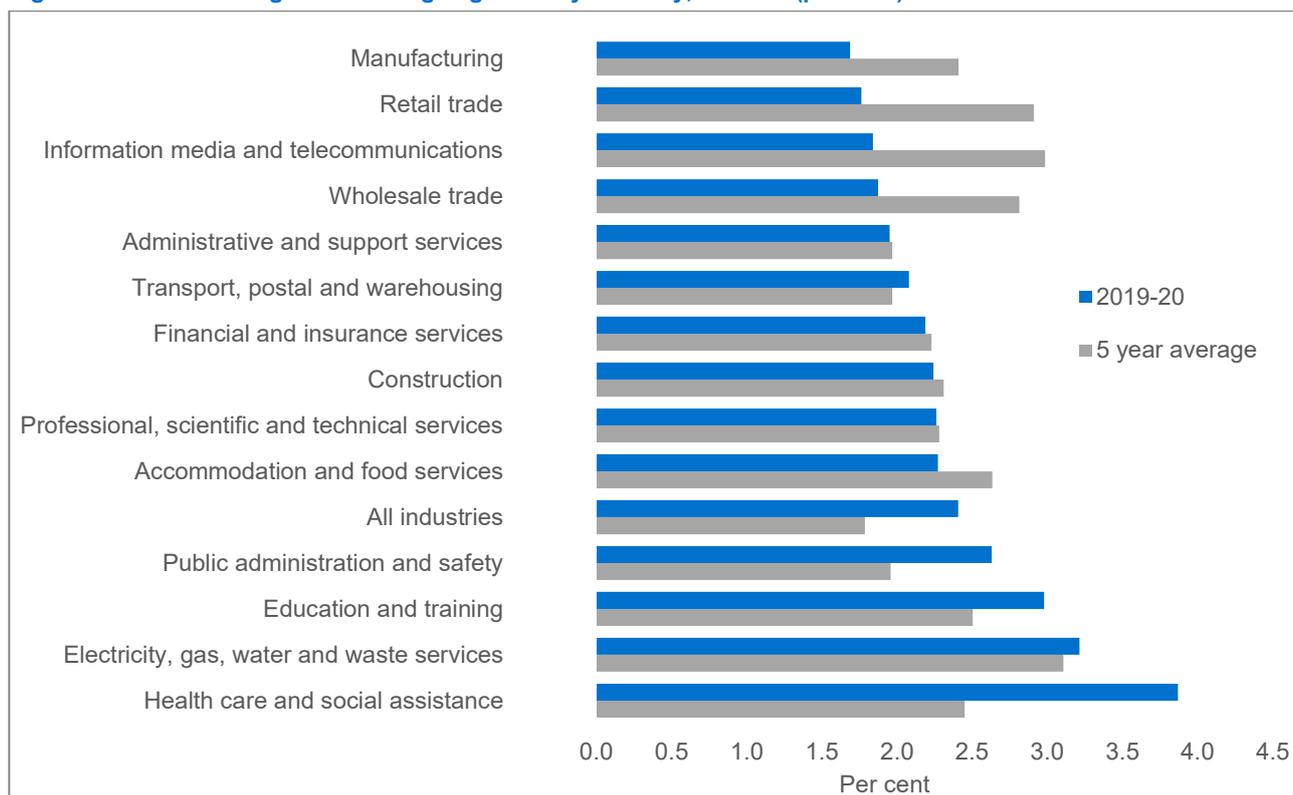
Source: ABS Cat. No 6202, Department of Treasury and Finance, Victoria.

- 28 Victorian labour market conditions are now improving, with the easing of restrictions and pickup in economic activity and employment has recovered to near pre-pandemic levels. The initial rebound in employment as restrictions gradually eased in late 2020 was strong. In quarterly terms, Victorian employment increased by 91,900 persons in the December quarter, with increases in both male and female employment. The unemployment rate rose by 0.2 percentage points to 7.0 per cent in the December quarter driven by a 1.9 percentage points rebound in the workforce participation rate (65.6 per cent). The underutilisation rate declined by 2.9 percentage points to 17.8 per cent in the same period.
- 29 The labour market recovery continued in early 2021. Employment increased by a further 70,000 persons over the first two months of the year, with unemployment in February having retraced 98 per cent of its losses since its pre-COVID level in March 2020. The unemployment rate fell to 5.6 per cent in February despite an elevated workforce participation rate increase at 66.6 over the month. However, both unemployment and under-employment remain above 2019 levels, and average hours worked in the Victorian economy – the indicator most closely aligned with economic activity – remains below March 2020 levels.
- 30 After this initial strong rebound, the rate of recovery in employment may be more subdued over coming months. Forward-looking indicators of employment such as job vacancies have picked up since May but remain below pre-pandemic levels. Growth in employment may also be affected by the cessation of JobKeeper in late March 2021.
- 31 Overall, based on *2020-21 Budget* estimates, Victorian employment is forecast to decline by 3.25 per cent in 2020-21 before rebounding by 3.50 per cent in 2021-22. The unemployment rate is forecast to average 7.75 per cent in 2020-21, before steadily declining over following years.

Victorian wages growth and inflation

- 32 Near-term weakness in the labour market and resulting spare capacity is likely to keep wages growth and inflation low for some time.
- 33 In 2019-20, Victorian annual wage growth averaged 2.4 per cent compared to 2.7 per cent in the prior year. More than half of the industries recorded growth lower than their five-year average (Figure 3).
- 34 More recently, Victorian wages growth was very subdued in the September quarter 2020 as public health restrictions were in place. Victorian wages rose by 0.2 per cent in the quarter and by 1.2 per cent over the year. Fewer end-of-financial-year wage reviews, delays in enterprise agreement increases and a phased implementation schedule of award increases contributed to the weak result. In the December quarter, quarterly wage growth improved to 0.7 per cent, partly supported by the unwinding of temporary pay reductions since the June quarter, although annual wage growth remained very low at 1.3 per cent.

Figure 3: Average annual wages growth by industry, Victoria (per cent)



- 35 Substantial spare capacity will drag on wages growth in the near term. According to the *2020-21 Budget*, Victorian wages growth is expected to be 1.0 per cent in 2020-21 and 1.75 per cent in 2021-22. As the economy recovers and spare capacity in the labour market is reduced, wages growth is expected to increase moderately over the remainder of the forecast period.
- 36 Subdued wage growth, weak inflation expectations and low global inflation pressures will put downward pressure on inflation.

- 37 Inflation remained subdued at 1.7 per cent in 2019-20 driven mainly by free childcare, a large fall in global oil prices, and lower housing rents. The effect of these factors is expected to wane in 2020-21 although spare capacity in the economy is expected to weigh on inflation for a considerable period.
- 38 Inflation is forecast to be 0.75 per cent in 2020-21 and 1.50 per cent in 2021-22. As the economy and labour market continue to recover, inflation is forecast to increase gradually, although it will likely remain low over the medium term.

Australian outlook

- 39 Australia's gross domestic product (GDP) fell by 0.2 per cent in 2019-20, the first annual decline since 1990-91. As with the global recovery forecast by the IMF, Australia's economic recovery is expected to be gradual.
- 40 Recent data suggests that an economic recovery is under way in Australia supported by substantial fiscal and monetary support and Australia's success in controlling the spread of the virus. After falling by a record 7.0 per cent in the June quarter, Australia's GDP rose by 3.4 per cent in the September quarter and by a further 3.1 per cent in the December quarter.
- 41 The near-term economic outlook depends significantly on health outcomes, notably the prevention of the spread of the virus and the rollout of the vaccination programs. The RBA forecasts the economy will grow by around 3.5 per cent over each of 2021 and 2022 as the recovery progresses.
- 42 Household consumption is expected to recover to pre-pandemic levels around the end of 2021. This will be supported by recovery in labour income, net household wealth and a gradual decline in uncertainty related to health and economic outcomes. Public demand is expected to increase, led by higher infrastructure spending. The contribution of private investment and exports is also likely to improve over the forecast period in line with improving domestic and global conditions.
- 43 Labour market outcomes have been much stronger than the RBA expected. The winding up of the JobKeeper program in late March creates some uncertainty for the overall pace of employment growth in the first part of 2021, but employment is forecast to grow over the rest of the year consistent with improvement in economic activity. The unemployment rate is expected to continue declining, but to remain around 6 per cent at the end of 2021 and 5.5 per cent at the end of next year.
- 44 Substantial spare capacity is likely to keep wages growth and inflation low in the forecast period. Year-ended growth in the Wage Price Index (WPI) is expected to remain below 2 per cent over the next few years, even slower than the low rates recorded prior to the pandemic. Headline inflation is expected to increase to around 3 over the year to June 2021, before declining to around 1.5 per cent by the end of 2021. Underlying inflation is expected to be subdued over the next few years.
- 45 The RBA notes that the economic outlook is subject to a higher degree of uncertainty than usual. Potential large resurgence in infection rates and related containment measures could weaken household and investor confidence and drag on economic activity. The change in

household and business behaviour following the end of policy support measures also poses a risk to the outlook. In contrast, a scenario where a sustained run of positive health outcomes enables remaining activity restrictions to be eased more quickly poses an upside risk to the recovery.

International outlook

- 46 The global economy is emerging from the downturn caused by the coronavirus pandemic, but economic recovery is likely to be gradual. After an estimated 3.5 per cent decline in global output in 2020, the International Monetary Fund (IMF) expects the global economy to grow by 5.5 per cent in 2021 (Table 1). While the contraction in global output in 2020 is significant, it is not as large as originally feared in the early stages of the pandemic, largely reflecting sizable global fiscal and monetary policy support.
- 47 According to the IMF, the global outlook is supported by recent vaccine approvals and additional fiscal policy support in a few large economies, although renewed waves and new variants of the virus pose concerns for the outlook. The strength of the recovery is likely to vary across countries, depending on access to medical interventions, the effectiveness of policy support and their structural characteristics entering the crisis.
- 48 The United States economy is expected to contract by 3.4 per cent in 2020 before rebounding by 5.1 per cent in 2021, aided by fiscal and monetary stimulus. Economic activity in China has rebounded strongly in recent months supported by further normalisation in activity and large public infrastructure investments. Ongoing fiscal stimulus will benefit the euro area although the resurgence in infection rates will weigh on recovery.
- 49 While the growth outlook in advanced economies is supported by sizable fiscal policy responses and anticipated widespread availability of vaccines, the growth outlook for most emerging economies is dampened by higher infection rates and limited fiscal space.

Table 1: Summary of IMF's global economic forecasts ^(a) (per cent)

	2019 actual	2020 estimate	2021 projection	2022 projection
World output	2.8	-3.5	5.5	4.2
Advanced economies	1.6	-4.9	4.3	3.1
United States	2.2	-3.4	5.1	2.5
Euro area	1.3	-7.2	4.2	3.6
Japan	0.3	-5.1	3.1	2.4
Emerging market and developing economies	3.6	-2.4	6.3	5.0
China	6.0	2.3	8.1	5.6
India	4.2	-8.0	11.5	6.8
ASEAN-5 (b)	4.9	-3.7	5.2	6.0

Source: IMF, World Economic Outlook, January 2021. Note: Not all countries or regions are listed in the table. ASEAN 5 economies are Indonesia, Malaysia, Philippines, Thailand and Vietnam.

- 
- 50 Key downside risks to the global outlook include a resurgence in infections; delays in rolling out vaccines; worsening geopolitical and trade tensions and premature withdrawal of fiscal policy support. However, further positive news on vaccine availability and efficacy and greater fiscal support would likely lift investor and consumer sentiment and improve the economic outlook.
- 51 The negative impact from the pandemic in 2020 is further evident in labour market and inflation outcomes. Workforce participation, employment and hours worked fell and inflation pressures remained very subdued for most of 2020. In advanced economies, the decline in employment was partly offset by the use of wage subsidy schemes which supported a significant share of the labour force.
- 52 Labour market conditions in most economies have improved over recent months, in line with the easing of activity restrictions, but significant spare capacity is expected to keep inflation low for some time. Inflation for advanced economies is forecast to increase to 1.3 per cent in 2021 from 0.7 per cent in 2020, in line with the improving growth outlook.

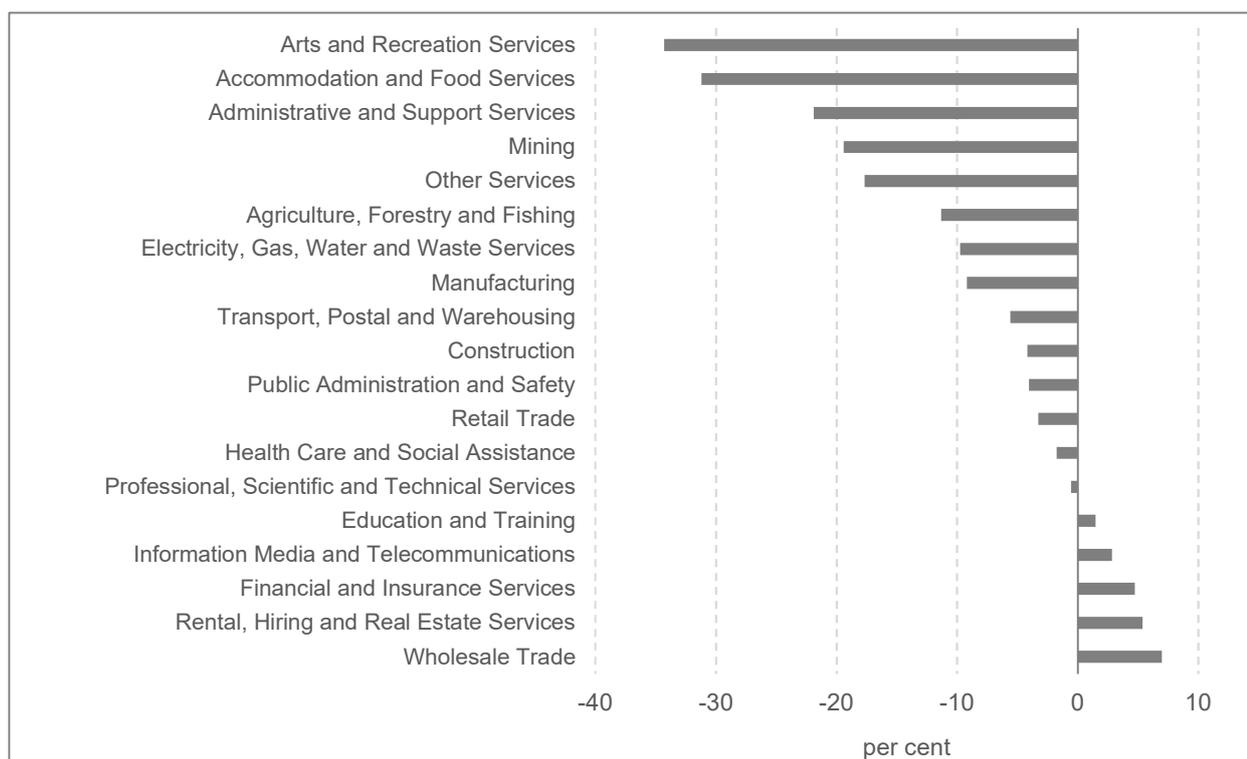
Uneven economic impact of the coronavirus (COVID-19) pandemic

- 53 The coronavirus (COVID-19) pandemic has had a significant impact on Victoria's economy and labour market. Employment has declined and the unemployment rate has increased. While the impact has been experienced throughout the Victorian economy, particular industry sectors and cohorts of workers have been more severely affected. Many of these sectors will take longer to recover, especially those reliant on international visitors.
- 54 Almost all industries in Victoria saw job losses during the coronavirus (COVID-19) pandemic, but customer-facing service industries requiring physical proximity, including arts and recreation, accommodation and food services and other services, have been disproportionately affected. The most severe impacts have been on women, younger Victorians and workers without post-school qualifications – with significant overlap between these groups.

Variable industry impacts – industry and employment

- 55 From February to August 2020, employment declined by 69,700 (31 per cent) in accommodation and food services and 26,000 (34 per cent) in arts and recreation (Figure 4). A few sectors were less affected by the coronavirus (COVID-19) pandemic or grew. For instance, wholesale trade benefited from a shift to online purchasing. Others were able to better adapt to public health restrictions, for example by transitioning to remote working.

Figure 4: Change in employment by industry, February to August 2020, Victoria, per cent



Source: Australian Bureau of Statistics

- 56 Part-time jobs fell at a faster rate than full-time jobs in the early phase of the pandemic – between March and June 2020 Part-time employment declined by 9.8 per cent (109 900 persons) in the June quarter, four times the rate of decline in full-time employment. Part-time and casual jobs make up a greater share of employment in the most heavily affected industries. By February 2021, full-time employment had recovered to be slightly higher than it was in March 2020, while part-time employment remained around 3 per cent lower.
- 57 The Commonwealth Government’s JobKeeper wage subsidy program supported permanent full-time and part-time employment. However, the JobKeeper wage subsidy excludes some of the groups most affected by the coronavirus (COVID-19) pandemic, including casuals who were with their employer for fewer than 12 months as at 1 July 2020, and temporary residents.
- 58 A substantial proportion of casual employees are likely to have missed out on JobKeeper payments and lost work. Nationally, two thirds of the total decline in employment from February to August was from casual employees. In 2019, 43 per cent of all Victorian casual employees were with their employer for fewer than 12 months. The *JobKeeper* exclusion for shorter term casual employees exacerbates the disproportionate economic impact of the coronavirus (COVID-19) pandemic on women. In 2019, 56 per cent of casual employees were female.
- 59 There were around 160 000 temporary residents employed in Victoria in 2019, many of them employed in industries most affected by the coronavirus (COVID-19) pandemic – including accommodation and food services, which is one of the two largest employers of temporary residents in Victoria. Temporary residents are ineligible for Commonwealth support from either the JobKeeper or the JobSeeker payments.

60 Victoria's education sector represents approximately 3 per cent of the Victorian economy and 22 per cent of our exports, making it our largest service export sector. Universities were excluded from the JobKeeper wage subsidy despite the international student intake for Victoria's education sector dropping by 49 per cent due to the coronavirus (COVID-19) pandemic.

The gendered economic impact of coronavirus (COVID-19)

- 61 Victoria is a leading jurisdiction in Australia in its initiatives to promote gender equality. With Victorian women's jobs being impacted harder by the COVID-19 recession, the pandemic had widened the gap between men and women's economic outcomes.
- 62 Analysing the recessionary impact of the COVID-19 pandemic through a gender lens, identified which cohorts of the workforce to focus on in the recovery. In November 2020, the Victorian Government commissioned important research from Angela Jackson, Lead Economist, Equity Economics and Dr Leonora Risse, Lecturer in Economics, RMIT University.² The research examined the economic impacts of the COVID-19 recession on Victorian women's workforce outcomes up to late 2020 – in terms of women's labour force participation and economic security . The key findings of this research are set out in paragraphs 63 to 73 below.³

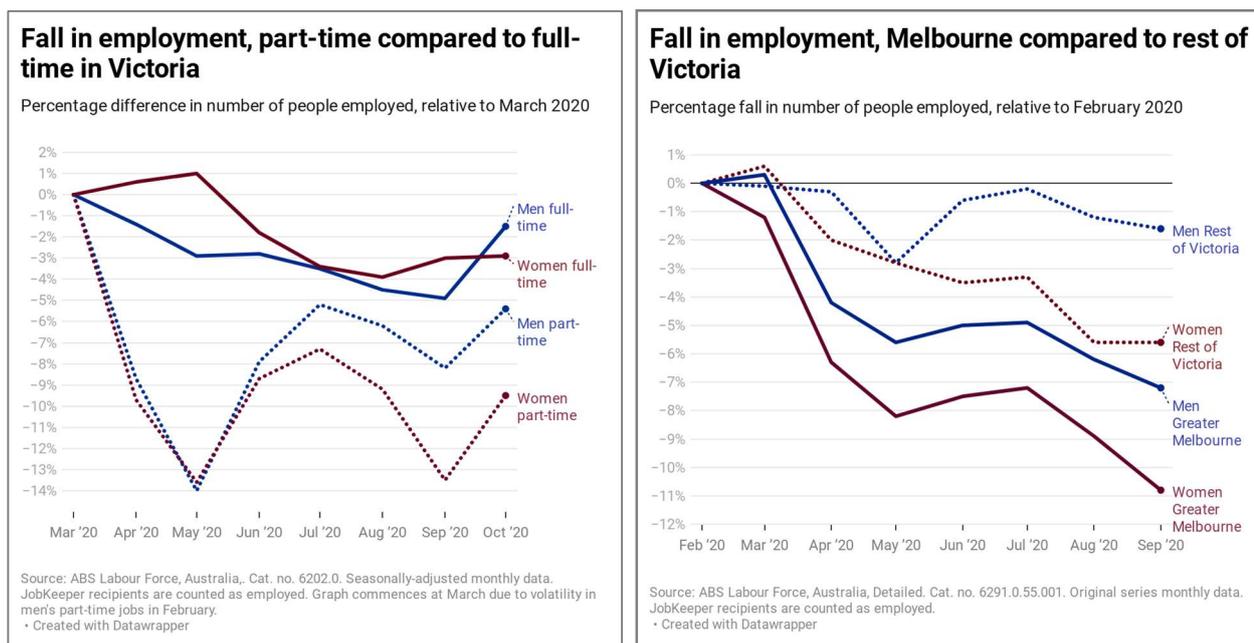
Employment

- 63 The pandemic significantly reduced women's jobs in Greater Melbourne, particularly part-time (Figure 5). Comparing February to October 2020, approximately 109,000 fewer Victorian women had a job. This compared to a fall of 22,000 jobs among Victoria men. In net terms, women had shouldered 83 per cent of all jobs lost in Victoria since the start of the pandemic. This compared to a female job loss rate of 61 per cent nationally.
- 64 Part-time work generates almost 50 per cent of all women's jobs, compared to 20 per cent of men's jobs. While some full-time workers have moved into part-time employment and hence served to lift part-time numbers, February compared to October 2020 saw a net drop of 55,000 jobs in women's part-time employment.

² www.equityeconomics.com.au and www.leonorarisse.com/

³ A Jackson and L Risse, *Gender equity as a driver for growth: Policies for an inclusive economic recovery for Victoria*. Report for the Victorian Government – Equal Workplaces Advisory Council, November 2020.

Figure 5: Fall in employment – Full-time and part-time work – Women and men in Melbourne and Victoria



Workforce participation

- 65 Alongside employment numbers, workforce participation rates must also be closely monitored. Labour force participation (LFP) rates measure the number of people who are either employed,⁴ or unemployed and actively looking for work, as a share of the total working-age adult population. A decline in LFP rates give a sense of the degree to which workers have dropped out the workforce completely, potentially disillusioned by the lack of job opportunities during the pandemic, or because they are unable to continue working due to caring commitments, safety concerns or other barriers to participation.
- 66 Coming into the pandemic, Victorian women's labour force participation rate was at an historic high.⁵ On average, women's workforce participation rate throughout 2019 sat at 61.6 per cent, and January 2020 saw a peak at 62.3 per cent. However, by September 2020, this rate had been eroded to 57.8 per cent. By October 2020, the rate started to improve at 59.4 per cent, but still sat at 2.3 percentage points lower than its February 2020 rate. In comparison, as a result of men's jobs being impacted less profoundly, and recovering more quickly up to this point, the overall drop in men's workforce participation rate has now nearly fully recovered, sitting only 0.3 percentage points below the February rate (see Figure 6).

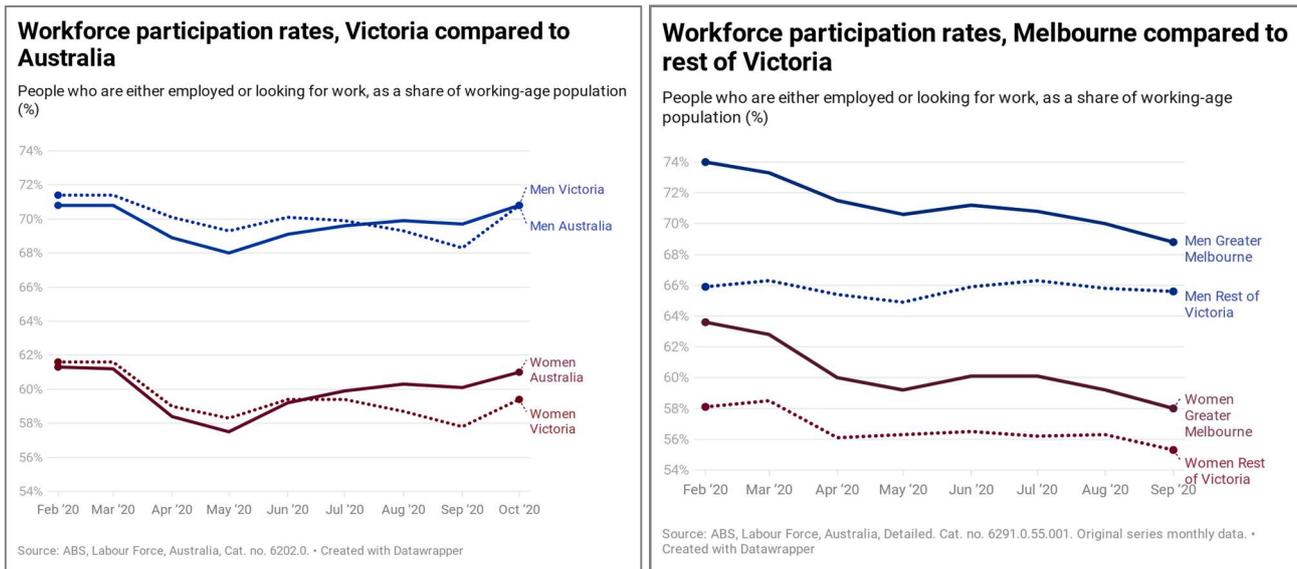
⁴ A caveat to all Australian Bureau of Statistics (ABS) employment numbers is that workers whose employment arrangement is being financially supported by the Commonwealth Government's JobKeeper scheme are counted by the ABS as employed. While this scheme has been important to retain job matches in the labour market, counting recipients as employed veils the true depth of job insecurity in the labour market. Without the JobKeeper scheme, it is possible that some recipients would not be employed and instead be unemployed or drop out of the workforce altogether. Due to this statistical mechanism, data should be interpreted to overstate the true rate of employment and workforce participation, while understating the true rate of unemployment.

⁵ Data reported in this paragraph are seasonally adjusted monthly data, sourced from ABS Labour Force, Australia, Cat. No 6202.0, available up to October 2020 at time of publication.

67 This meant that more women than men had left the workforce completely. The pandemic had left Victoria with a wider gender gap in workforce participation. Compared to the start of the pandemic, there were 53,900 women fewer Victorian women in the workforce in October 2020, compared to a fall of 3,900 Victorian men.⁶

68 Women in Greater Melbourne had experienced the largest drop in participation rates. From a high of 63.8 per cent in February – one of the strongest female participation rates in the country – their rate had dropped to 58.0 percent by September.⁷

Figure 6: Fall in workforce participation rates – Comparison between Melbourne, Victoria and Australia



Factors behind gendered economic impact of COVID-19 – more affected and slower to recover

69 One of the explanations for the relatively larger and earlier drop in women’s jobs during the pandemic are the gender patterns of employment in industry that characterise Australia’s workforce. Industries that were most directly suppressed by coronavirus (COVID-19) containment measures – retail trade, accommodation and food services, arts and recreation, and other services⁸ – collectively comprise 26 per cent female employment in Victoria. Moreover, within these industries women are more likely to occupy customer-oriented roles, such as sales assistants and waiters, that could no longer be safely carried out in their usual manner.

70 In Victoria’s accommodation and food services – the fifth largest industry of employment for women – one of out every three jobs had disappeared (Figure 7). In contrast, the largest industries of employment among men, construction and manufacturing, experienced relatively

⁶ Seasonally adjusted monthly data, sourced from ABS Labour Force, Australia, Cat. No 6202.0.

⁷ Data reported in this paragraph are original monthly data, sourced from ABS Labour Force, Australia, Detailed, 6291.0.55.001, available only up to September at time of publication.

⁸ This industry includes personal services such as hairdressing and beauty services.

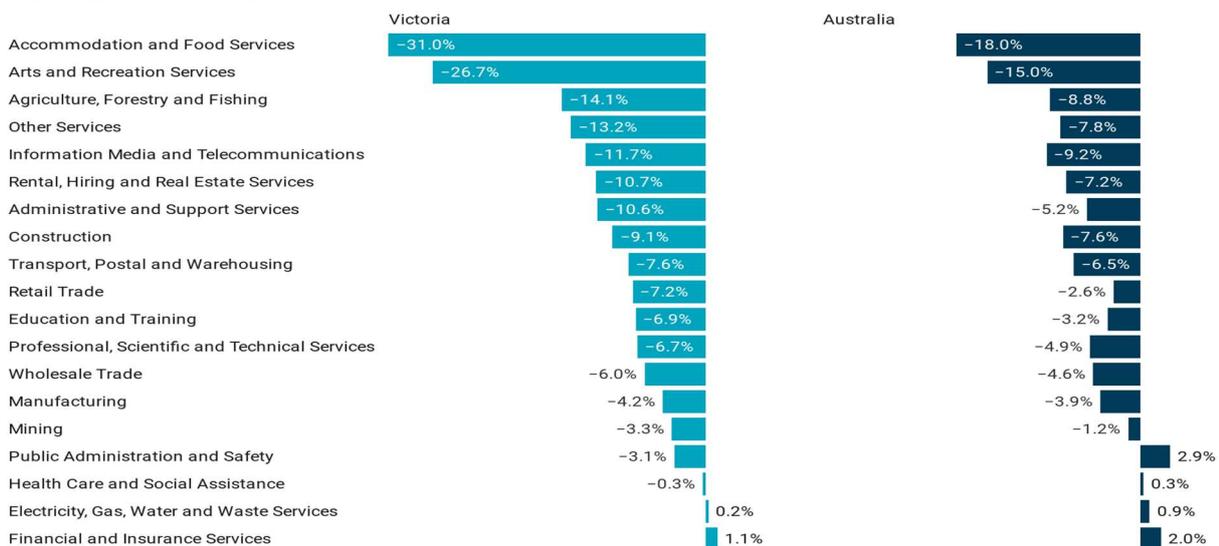
milder job contractions, at nine percent and four percent respectively. Retail trade, the third largest industry for among both women and men, had seen a seven percentage point contraction.

- 71 The two largest industries of employment among women in Victoria – healthcare and social assistance, and education and training (which collectively provide around 35 percent of women’s jobs) – had experienced heightened pressures during the pandemic. The pandemic intensified demands on Victorian health system, leading to hazardous working conditions and higher risk of burnout among workers in this sector, while educators were under pressure to rapidly adapt to an online teaching environment (Figure 8).
- 72 Gender patterns in industry employment also explain the economy’s initial steps towards recovery. Data on Victoria’s job postings, from the start of 2020 through to October 2020 (see Table 2 and Table 3), showed that male-concentrated industries (such as construction, and transport, postal and warehousing) and occupations (such as labourers, and machinery operators and drivers) were back to, or even exceeded, pre-pandemic levels of job vacancy activity. In contrast, female-concentrated industries (such as accommodation and food services) and occupations (such as sales workers) were still in the process of climbing back.
- 73 Another key reason for the larger dive in women’s workforce participation rates was the struggle that many women encountered maintaining their connection to the workforce, even if they had a job. The logistical and emotional pressures of caring for children or other family members, exacerbated by school closures and restricted access to childcare, made it unfeasible for many women to continue their involvement in paid work.⁹

Figure 7: Change in payroll jobs by industry (March 2020 to October 2020)

Change in payroll jobs, by industry

Percentage difference in number of payroll jobs, 14 March 2020 compared to 17 October 2020

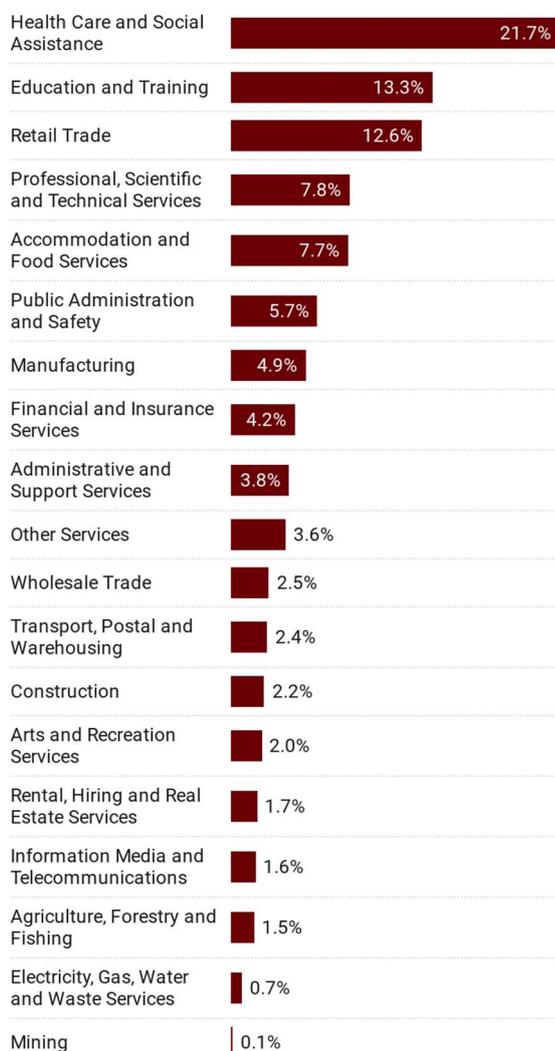


Source: ABS, Weekly Payroll Jobs and Wages in Australia, Cat. no. 6160.0.55.001 • Created with Datawrapper

⁹ L Craig, and B Churchill, 'Working and Caring at Home: Gender Differences in the Effects of Covid-19 on Paid and Unpaid Labor in Australia', *Feminist Economics*, 2020. A Carson, L Ruppanner and S Ratcliff ['Worsening of Australian Women's Experiences under COVID-19: A Crisis for Victoria's Future'](#) 2020.

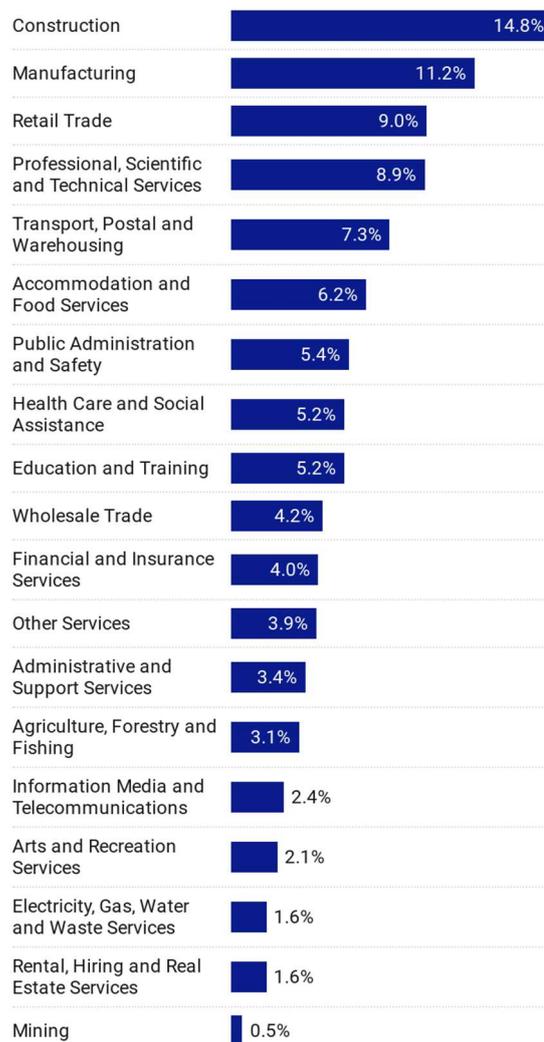
Figure 8: Women and men's workforce composition by industry in Victoria

Women's workforce composition by industry, Victoria



Source: ABS, Census of Population and Housing, 2016, TableBuilder.
Percentages sum to 100%
• Created with Datawrapper

Men's workforce composition by industry, Victoria



Source: ABS, Census of Population and Housing, 2016, TableBuilder.
Percentages sum to 100%
• Created with Datawrapper

Table 2: Job postings by occupation, 2020

Average monthly number of job postings in Victoria by occupation	Jan-Feb	Mar-Apr-May	Jun-Jul-Aug	Sep-Oct
Professionals	5708	3706	4168	4895
Clerical and Administrative Workers	2098	1206	1172	1368
Managers	2083	1253	1334	1510
Sales Workers	1189	621	676	902
Technicians and Trades Workers	1094	647	658	825
Community and Personal Service Workers	604	355	406	546
Labourers	354	261	297	403
Machinery Operators and Drivers	332	222	289	348

Source: Burning Glass Technologies, COVID-19 Open Data Initiative: Job Postings, January to October 2020

Table 3: Average monthly number of job postings in Victoria by industry, 2020

Average monthly number of job postings in Victoria by industry	Jan-Feb	Mar-Apr-May	Jun-Jul-Aug	Sep-Oct
Health Care and Social Assistance	2427	1736	2129	2482
Public Administration and Safety	1680	1026	1431	1633
Education and Training	1867	965	888	1458
Professional, Scientific and Technical Services	1242	724	746	891
Retail Trade	851	425	575	858
Accommodation and Food Services	724	265	402	508
Financial and Insurance Services	796	403	494	661
Manufacturing	389	237	284	351
Information Media and Telecommunications	281	161	153	136
Electricity, Gas, Water and Waste Services	178	110	114	176
Arts and Recreation Services	168	51	47	97
Rental, Hiring and Real Estate Services	191	140	173	144
Transport, Postal and Warehousing	189	58	166	179
Other Services	156	84	92	113
Construction	161	97	118	175
Wholesale Trade	130	79	69	91
Mining	153	81	76	61
Administrative and Support Services	92	51	59	78
Agriculture, Forestry and Fishing	19	8	12	28

Source: Burning Glass Technologies, COVID-19 Open Data Initiative: Job Postings, January to October 2020

Award reliance, casualisation and the gendered economic impact of COVID-19

- 74 Award minimum wages are significant for addressing the gender pay gap and low pay levels. Women remain overrepresented in cohorts that receive lower pay, are predominantly award reliant due to the industries and occupations they tend to work in, and experience persistently higher levels of employment insecurity due to higher levels of casual work. This is particularly significant in 2020, with the summer bushfires and coronavirus (COVID-19) laying bare the health, economic and social risks associated with insecure and low paid jobs and how it is women who are left disproportionately impacted – on the frontline and in sectors hardest hit by public health restrictions.
- 75 Many Australians may be engaged in insecure work in casual, contract, self-employed or labour hire arrangements. In 2017, for the first time since these statistics have been collected, the proportion of employed Australians filling a standard job fell below 50 percent. Less than half of employed Australians now work in a permanent full-time paid position with basic entitlements (like sick pay and paid holidays).³ Research shows that many workers engaged in insecure work would prefer ongoing or more permanent forms of work.⁴

- 76 According to the Australian Bureau of Statistics (ABS), in 2019 there were 12.8 million Australian workers. Of that number, 2.6 million or 20.2 per cent of workers were casual.¹⁰ By August 2020, the Australian workforce had reduced in size to 12.5 million workers.¹¹ At that time 2.3 million or 18.2 per cent of workers were casual.¹²
- 77 Job losses in less secure forms of work, such as casual employment accounted for almost all of the reduction in employment in 2019–20. The incidence of job losses for casuals was eight times that of permanent waged employees.¹³
- 78 The proportionate decline in casual employment was not because workers were transitioning from casual work to more secure work. It appears to be primarily because casual workers were losing their jobs.
- 79 The Australian jobs recovery commenced in May 2020. Between May and August 2020 employment rebounded by 340,000 workers.¹⁴ However, 200,000 or 58 per cent of the new jobs were casual.
- 80 The disproportionate impacts of the pandemic on women’s employment and economic security had been driven by the overrepresentation of women in casualised employment. Nationally, women make up 55 per cent of the total casual workforce,¹⁵ and a quarter of all women employees in Victoria work on a casual basis.¹⁶ Women also make up 54 per cent of multiple job holders, indicating women are more likely to be underemployed and therefore more vulnerable to forms of insecure work across the economy.¹⁷
- 81 Coronavirus (COVID-19) has exposed insecure work as a key risk factor for coronavirus (COVID-19) transmission. Health Care and Social Assistance is Australia’s largest industry, its workforce is 80 per cent women and it is the industry where multiple job holders are most common overall.¹⁸ In 2016-17, the ABS estimated there were around 240,000 women who worked in health care and social assistance as their main job who also have secondary jobs (roughly 15 per cent of the industry’s 1.6 million employees).¹⁹ Just under half of these secondary jobs (48 per cent) are also in Health Care and Social Assistance, followed by Administrative and Support Services (11 per cent) and Retail Trade (5 per cent).²⁰ This means many workers are moving between multiple consumer-facing workplace settings.

¹⁰ ABS Cat. No 6333.0, Characteristics of Employment, Australia, August 2019, released 09 December 2019.

¹¹ ABS Cat. No 6333.0, Characteristics of Employment, Australia, August 2020, released 11 December 2020.

¹² ABS Cat. No 6333.0, Characteristics of Employment, Australia, August 2020, released 11 December 2020.

¹³ D Nahum and J Stanford, ‘[Briefing Paper: 2020 Year End Labour Market Review: Insecure Work and the COVID – 19 Pandemic](#)’, 2020, p.11, The Australia Institute: Centre for Future Work..

¹⁴ ABS ‘Casuals hardest hit by job losses in 2020: [media release], [Casuals hardest hit by job losses in 2020 | Australian Bureau of Statistics \(abs.gov.au\)](#).

¹⁵ Bankwest Curtin Economics Centre, ‘[Short-term and long-term casual workers: how different are they?](#)’, Research Brief COVID-19 #4, 8 April 2020, p. 2.

¹⁶ Victorian Trades Hall Council, ‘[Insecure and low paid work: The minimum wage](#)’.

¹⁷ ABS *Jobs in Australia, 2011-12 to 2017-17*, Table 4, 1 August 2019.

¹⁸ McKell Institute, ‘[Many jobs, little support: Multiple Jobholders and the COVID-19 recession](#)’. November 2020.

¹⁹ ABS Cat. No 6150.0.55.003 – Labour Account Australia, Quarterly Experimental Estimates, September 2017, [Spotlight: Health Care And Social Assistance Industry](#) (July 2018)

²⁰ McKell Institute, ‘[Many jobs, little support: Multiple Jobholders and the COVID-19 recession](#)’, November 2020.

82 Women endured the majority of increased caring responsibilities and home-schooling during coronavirus (COVID-19), presenting barriers to re-engagement in the workforce. Between March and October 2020, Victorian women's labour force participation declined by 2.2 percentage points, compared to 0.6 percentage points for men. The September issue of the ABS Household Impacts of coronavirus (COVID-19) Survey found that, nationwide, women were almost five times more likely than men (57.8 per cent compared with 12.7 per cent) to have stayed at home to look after children full-time on their own during coronavirus (COVID-10).²¹ Research shows that the longer someone is disengaged from work or unemployed, the more difficult it is for them to re-engage. Access to childcare is one of the most significant barriers to women's workforce participation and to women increasing their working hours.

Government support and COVID-19 response

83 Award reliant women-dominated industries have received less government support during coronavirus (COVID-19) than male-dominated industries. The combined Commonwealth Government spend in response to coronavirus (COVID-19) to support job creation in sectors such as construction, energy and manufacturing is approximately 2.5 times the investment the Commonwealth has made to support the highly vulnerable aged care sector (\$1.6 billion).²²

84 The 2020-21 Victorian State Budget includes some investment for the social services sector, such as \$16.6 million for pathways to employment in community services.²³

85 The 2020-21 State Budget commits \$170 million to provide free kindergarten in eligible services in 2021, and \$82 million to increase the availability of outside school hours care, which will help women return to work. However, investment or reforms beyond 2021 from relevant jurisdictions will be required to sustain and grow women's workforce participation and promote equitable and secure employment outcomes.

86 Governments have also introduced general temporary measures as part of the coronavirus (COVID-19) response, recognising the public health risks and fragilities of casual work. In Victoria, test isolation payments were introduced to lessen the monetary impact of not going to work and encouraging workers to stay home while awaiting coronavirus (COVID-19) test results. The payment was initially \$300, but later increased to \$450. The scheme was subsequently adopted by the Commonwealth to cover other jurisdictions. The Permitted Worker Scheme and access to a childcare permit were also introduced to provide critical access to childcare for critical industries and occupations such as frontline workers. The Commonwealth Government introduced a \$550 per fortnight Coronavirus Supplement for recipients of JobSeeker Payment which provides support for some casual employees who may have experienced a pay loss due to coronavirus (COVID-19) and who were ineligible for JobKeeper.

²¹ Although the ABS does not provide state-specific data on this point, at the time of survey, Victoria had returned to 'stay at home' restrictions, with more than four in five (83 per cent) households with children in Victoria keeping their children home over the previous four weeks. It is likely the situation in Victoria heavily influenced the national results, as in the rest of Australia, only 19 per cent of households had kept children home during the survey period. For more information, see ABS, '[Household Impacts of COVID-19 Survey](#)' Australian Government, 13 October 2020.

²² Senator the Hon Richard Colbeck, Minister for Aged Care [media release], '[Government welcomes Aged Care Royal Commission's COVID-19 report Recommendations](#)' Australian Government, 1 October 2020.

²³ [Victorian Budget 2020-21](#), BP3.

- 87 In recognition of the shortcomings of insecure work, the 2020-21 Victorian State Budget is investing \$5 million to take the first step to develop, in consultation with employers, unions and workers, a new Secure Work Pilot Scheme to provide five days sick and carers pay at the minimum wage to casual or insecure workers in priority industries.
- 88 A reasonable increase of two per cent to the National Minimum Wage and award minimum wages will provide further support to women (and men) working in the more vulnerable industry sectors such as social and community services, which includes aged care, and which are the most award reliant.

Victorian Government support for Victorian women

- 89 In addition to the support for women outlined above, the Victorian Government will also focus on delivering new opportunities and professional pathways for women, who have been disproportionately affected by the economic impact of the coronavirus (COVID-19) pandemic. This includes investment in sectors that predominantly employ female workers.
- 90 These initiatives include:
- recruitment of more than 4,100 tutors to help students catch up in 2021;
 - recruitment of up to 1,730 teachers, allied health and other staff to support students with disability in Victorian government schools by 2025;
 - coordination of up to 240 traineeships in community services organisations to develop participants' skills and knowledge in the prevention of family violence and sexual assault;
 - more than 300 Child Protection Practitioners and staff across the children and families system;
 - 80 coordination roles in care and recovery for alcohol and other drugs; and
 - support for 400 social services workers to gain credentials and upskill through higher apprenticeship pilots while they work.
- 91 These investments will also help Victoria meet rapidly rising demand for health and social services and ensure Victorians are not worse off because of the coronavirus (COVID-19) pandemic.

Impact of coronavirus (COVID-19) on marginal cohorts in Victoria

- 92 The impact of the coronavirus (COVID-19) pandemic has been widespread, and with a longer duration and greater severity of restrictions in Victoria, there has been a bigger impact on marginalised cohorts in this state than in other states.
- 93 The economic downturn resulting from coronavirus (COVID-19) has worsened labour market inequalities:
- Those in low paid jobs have been most adversely affected by the pandemic, with much higher rates of unemployment and underemployment. Sixty per cent of the decline in work hours across the economy was in the bottom 30 per cent of weekly wage earners.²⁴
 - Those industries more reliant on the minimum wage have been more adversely affected by the pandemic.
- 94 The pandemic and related restrictions have also led to a broadening of the number of groups experiencing economic disadvantage, including those who may not have previously been economically disadvantaged – such as a larger number of young people, mature workers over the age of 45 as well as international students.
- 95 Short-term Commonwealth payments such as JobKeeper and the coronavirus (COVID-19) supplement to JobSeeker reduced income inequality in 2020 and prevented 2.2 million people from living in poverty.²⁵ However, the structure of JobKeeper also exacerbated some labour market inequalities. For example, many of the low paid who are in casual and insecure work are ineligible for JobKeeper. Migrants on temporary visas and international students have also been excluded from JobKeeper. Insecure work and the lack of supports drove many people to continue to attend work during the pandemic, increasing the spread of the virus in Victoria and leading to more severe restrictions.²⁶
- 96 Marginalised cohorts are more likely to have lost hours or lost their jobs completely during the coronavirus (COVID-19) downturn – particularly people with disability, single parents and carers, who may have limitations on the types of work they can do, the hours they can work and/or the places they can travel to for work. These groups are also more likely to experience economic insecurity, including periods of unemployment and a lack of savings, which has been exacerbated by the pandemic.²⁷
- 97 The impacts of mental illness are a significant barrier to finding and maintaining regular and well-paid employment, creating long term challenges for economic wellbeing. The coronavirus

²⁴ L Fowkes, '[Paradigm shift needed to address joblessness beyond Covid-19](#)', *Social Ventures Australia*, 30 September 2020.

²⁵ A Selby, '[JobKeeper spared Aussies from poverty but what happens when it ends?](#)', *Money*, 18 November 2020.

²⁶ B Butler and J Taylor, '[Calls for paid pandemic leave grow as Victorian premier links Covid-19 surge to insecure work](#)', *The Guardian*, 23 July 2020.

²⁷ D Brown, 'COVID-19 Insights: People with disability', Brotherhood of St Laurence Research and Policy Centre, November 2020.

(COVID-19) pandemic has significantly impacted the mental health of many people in the community, including in the LGBTIQ+ community. Evidence suggests that LGBTIQ+ people already experienced anxiety and depression at a higher rate than their non LGBTIQ+ peers.²⁸ And for some parts of this community, this was significantly higher during the coronavirus (COVID-19) pandemic.²⁹

- 98 In addition, people within the LGBTIQ+ face more challenging employment circumstances due to discrimination, particularly trans and gender diverse people.³⁰ There is also a higher proportion of homelessness in the LGBTIQ+ community than the general population.³¹ The coronavirus (COVID-19) pandemic has compounded these issues, creating additional barriers to employment and economic participation for people from the LGBTIQ+ population.
- 99 Historical evidence indicates that economic downturns are consistently followed by increases in economic inequality – meaning that those in low paid roles are likely to fall further behind, with impacts on lifelong earnings and retirement income.³² This is of particular concern for young people, and particularly young women, who have lost work hours or become unemployed during coronavirus (COVID-19). While they may become re-employed after restrictions lift, the time out of work will have long term impacts on their job prospects, income and economic wellbeing.³³ It is also of concern for mature low-paid workers who will face greater challenges to be re-employed or to gain additional hours of work following the pandemic.
- 100 A strong minimum wage is essential to ensure that people on low incomes and/or in precarious employment can support themselves financially and ensure their long-term economic wellbeing.
- 101 An increase to minimum wages will help to counterbalance increases in income inequality due to the crisis, and provide opportunities for those from marginalised cohorts to rebuild their savings, increase their economic participation and be more economically secure when reaching retirement age. In addition, a reduction in income inequality has been linked to stronger economic growth and greater macroeconomic stability.³⁴

²⁸ M Carman, A Bourne and J Fairchild, '[COVID-19: impacts for LGBTIQ communities and implications for services](#)', Rainbow Health Victoria, April 2020.

²⁹ B Nielsen, '[LGBT Australians at higher risk of depression, suicide and poor access to health services during coronavirus pandemic](#)', ABC News, 10 Oct 2020; ; Roy Morgan, '[Mental Health conditions: Anxiety and Depression increased rapidly during lockdown](#)', November 2020.

³⁰ Carman, Bourne and Fairchild, '[COVID-19: impacts for LGBTIQ communities and implications for services](#)'..

³¹ Carman, Bourne and Fairchild, '[COVID-19: impacts for LGBTIQ communities and implications for services](#)'..

³² OECD (Organisation for Economic Co-Operation and Development), *In It Together: Why Less Inequality Benefits All.*, 2015.

³³ Fowkes, '[Paradigm shift needed to address joblessness beyond Covid-19](#)'.

³⁴ L De Dominicis et al, 'A Meta-Analysis on the Relationship between Income Inequality and Economic Growth,' *Scottish Journal of Political Economy*, 2008, 55(5), pp. 654-682. Also, OECD2015, '*In It Together: Why Less Inequality Benefits All.*', OECD, 2015.

Young People

- 102 Before the coronavirus (COVID-19) pandemic, young people in Victoria were more likely to be working in jobs that were low paid. This has significant implications for their economic wellbeing and the coronavirus (COVID-19) pandemic has compounded these impacts. Other impacts of the coronavirus (COVID-19) pandemic on young people include less retirement savings, increased financial and job instability and poorer physical, mental and social health outcomes, including significantly greater mental health impacts than for other age groups.³⁵
- 103 As of February 2021, the youth unemployment rate in Victoria was 15.3 per cent.³⁶ Young people make up 19.94 per cent of Victoria's working population.³⁷ 42 per cent of people working on minimum wage in Australia are young people aged 15-24.³⁸
- 104 A weak labour market in the decade after the Global Financial Crisis of 2008-2009 meant that young workers experienced nearly zero wage growth in real wage rates from 2008-2018.³⁹ Most new jobs being created are casual or insecure⁴⁰, forcing young people into precarious positions with little hours and low pay. A rise in underemployment is contributing to more young people not having enough hours of work to cover their living costs or to save for their future.
- 105 Young people are particularly vulnerable in times of economic downturn, their lack of experience and skills making it difficult to transition from education into a competitive labour market. Faced with fewer job prospects, young people with tertiary qualifications are applying for lower skilled positions in retail and hospitality, increasing competition for the limited, low-paid jobs available.⁴¹ Entering the job market in times of recession can lead to 'scarring', when young people enter periods of unemployment or are forced to halt their career progression as a result of the recession.⁴² This has the potential to reduce overall future wage growth and has long term impacts on occupation choices.⁴³
- 106 The industries most affected by the coronavirus (COVID-19) shutdowns include food and beverage services, road transport, food manufacturing, adult and community education, administrative services, sport and recreation, and accommodation.⁴⁴ According to the Household, Income and Labour Dynamics Survey (HILDA), young people (aged 15-24) made up 35 per cent of employees in the worst affected industries, compared with only 14 per cent in other industries.⁴⁵

³⁵ Roy Morgan, '[Mental Health conditions Anxiety and Depression increased rapidly during lockdown](#)', November 2020.

³⁶ ABS Labour Force status, Victorian youth (15-24) unemployment - 12 month moving average.

³⁷ ABS Cat. No 6291.0.55.001 – [12 months moving average LM1](#), July 2019.

³⁸ ABS Cat. No 6291.0.55.001 – 12 months moving average LM1, July 2019.

³⁹ C de Fontenay, B Lampe, J Nugent and P Jomini, [Climbing the jobs ladder slower: Young people in a weak labour market](#), Productivity Commission Australian Government, July 2020.

⁴⁰ Ziffer and Clayton (2020), "[One in three young Australians is unemployed or needs more hours, and the trend could last a decade](#)," ABC News.

⁴¹ de Fontenay, Lampe, Nugent and Jomini, [Climbing the jobs ladder slower: Young people in a weak labour market](#).

⁴² de Fontenay, Lampe, Nugent and Jomini, [Climbing the jobs ladder slower: Young people in a weak labour market](#).

⁴³ de Fontenay, Lampe, Nugent and Jomini, [Climbing the jobs ladder slower: Young people in a weak labour market](#).

⁴⁴ R Wilkins, F Botha, E Vera-Toscano and M Wooden, [The Household, Income, and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 18](#), Melbourne Institute Applied Economic and Social Research, 2020.

⁴⁵ Wilkins, Botha, Vera-Toscano & Wooden, [The Household, Income, and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 18](#).

- 107 Young women were disproportionately represented in the worst affected industries, making up 50 per cent of the workforce in these industries compared with other industries. Despite recent decreases in the gender pay gap, the uncertainty of coronavirus (COVID-19) and the impacts it will have on women and their future wage growth has led to a slight increase in the gap since 2019, from 13.9 per cent to 14 per cent.⁴⁶
- 108 Victoria's recovery was affected by the second wave of coronavirus (COVID-19), with reintroduced Stage Three stay at home restrictions beginning in July and then tougher Stage Four restrictions in August. While employment for young people aged 18-24 recovered to 65 per cent as restrictions eased for the rest of Australia, Victoria's rate remained at just 46 per cent in September 2020.⁴⁷ The Commonwealth Government JobKeeper measure excluded 1 million young casual workers, who had been with their employer less than twelve months.⁴⁸
- 109 To encourage a stronger economic recovery from coronavirus (COVID-19), increased minimum wages would stimulate spending amongst young people, improving their social and economic outcomes and strengthening the Victorian economy. Longer term, it will lead to an increase in the amount of income earned over time and provide young people with greater financial stability.

Older workers

- 110 While older workers aged 60 and above were less impacted by coronavirus (COVID-19) job losses than young people under 30, their likelihood of gaining future employment is much lower. For example, in July 2020, jobs growth was lowest for people aged 60 and above, and particularly for women over 60.⁴⁹ The greater severity of restrictions due to coronavirus (COVID-19) in Victoria meant that workers were more affected than in other states.
- 111 The increase in casualised employment during the coronavirus (COVID-19) crisis⁵⁰ is an increase in job insecurity, and it is likely that many older workers will struggle to regain permanent jobs following the crisis. This is particularly the case for low-income roles, many of which cannot be done remotely, reducing the pool of low-income roles available to older workers who are at greater risk if they contract coronavirus (COVID-19). Older workers are also more likely to work in healthcare, a highly risky industry for older people during the pandemic.
- 112 The increased casualisation and barriers to frontline employment are likely to lead to greater financial pressures on older workers on low incomes. These pressures are greater for women, who have typically earned less during their lifetimes and have lower superannuation balances, and for those who do not own their own homes. Older women are also at greater risk of homelessness due to economic constraints.

⁴⁶ Workplace Gender Equality Agency, [Australia's Gender Pay Gap Statistics 2020](#), Workplace Gender Equality Agency 2020.

⁴⁷ J Kabatek, '5 Charts on how COVID-19 is hitting Australia's young adults hard', *The Conversation*, 2 October 2020.

⁴⁸ B Silvester, 'My sense of identity is falling away: young people pay the heaviest price in COVID recession', *The Guardian* 19 September 2020.

⁴⁹ G Jericho, 'Across Australia people are losing jobs, and it's older workers who are suffering most', *The Guardian*, 30 July 2020.

⁵⁰ Herald Sun, 'Casual job insecurity speeds up', 30 December 2020.

- 113 An increase to minimum wages is important to assist older workers on low incomes to build their savings and support themselves in retirement.

Aboriginal Victorians

- 114 Aboriginal Victorians were more likely to earn lower or minimum wage incomes before the coronavirus (COVID-19) pandemic, making them vulnerable to financial stress in a recession. Aboriginal Victorians are more at risk from coronavirus (COVID-19) for a number of reasons, including the higher rates of other health issues amongst the population, limited access to healthcare in rural communities and a reliance on outreach services.⁵¹ As a result, some Aboriginal workers and jobseekers have either left or not entered the workforce to keep themselves, their family and their communities safe. A rise in minimum wages would help to offset the impacts of earning a lower wage for Aboriginal Victorians while also assisting with the recovery from the coronavirus (COVID-19) pandemic.
- 115 In 2016, (as at the last census), the median weekly personal income for Aboriginal Victorians was \$167 below that of non-Indigenous Victorians.⁵² The Aboriginal Victorian population is younger than the non-Indigenous population. Fifty two per cent of Aboriginal Victorians are under the age of 25 compared with just 31 per cent of non-Indigenous populations.⁵³ Aboriginal young people are also less likely to complete higher levels of education than non-Indigenous populations, with only 9.2 per cent completing a Bachelor's degree or higher compared with 24.3 per cent of the non-Indigenous population.⁵⁴
- 116 10.7 per cent of Aboriginal Victorians live in overcrowded housing, with their low incomes supporting a larger number of people compared to non-Indigenous populations.⁵⁵ As housing prices and other living costs continue to rise, a lower income for Indigenous populations will further entrench disadvantage. Aboriginal Victorians are more likely to be renting than non-Indigenous Victorians, with the percentage experiencing rental stress increasing to 40.8 per cent in 2019 before the coronavirus (COVID-19) pandemic.⁵⁶ 27 per cent of the Aboriginal population in Australia were already eligible to receive the coronavirus (COVID-19) supplement from March 2020, highlighting the high rates of poverty experienced by Indigenous populations in Australia.⁵⁷
- 117 Aboriginal people are more likely to live in regional areas that have limited jobs available, increasing the likelihood of experiencing disadvantage.⁵⁸ More Aboriginal Victorians are likely to be working in low paid industries, including construction, retail trade, accommodation and

⁵¹ Department of Health, [Coronavirus \(COVID-19\) advice for Aboriginal and Torres Strait Islander peoples and remote communities](#), Department of Health, Australian Government, 2020.

⁵² Department of Premier and Cabinet, [Aboriginal Affairs Report 2019](#), Victorian Government, p. 50, figure. 8.1.1, 2019.

⁵³ ABS [2016 Census: Aboriginal and/or Torres Strait Islander Peoples QuickStats](#), Australian Bureau of Statistics, 2016

⁵⁴ ABS, [2016 Census QuickStats, Australian Government, Australian Bureau of Statistics](#).

⁵⁵ Department of Premier and Cabinet, [Aboriginal Affairs Report 2019](#).

⁵⁶ Department of Premier and Cabinet, [Aboriginal Affairs Report 2019](#).

⁵⁷ F Markham, D Smith and F Morphy, 'Indigenous Australians and the COVID-19 Crisis: Perspectives on Public Policy', [Centre for Aboriginal Economic Policy Research](#), Topical Issue, 1/2020, pp. 6.

⁵⁸ Y Dinku, B Hunter and F Markham, 'How might COVID-19 affect the Indigenous labour market?', [Australian Journal of Labour Economics](#), Vol. 23, No. 2, 2020.

food services, and manufacturing.⁵⁹ These industries were also the most affected by coronavirus (COVID-19) shutdowns, particularly from Victoria's prolonged Stage Three and Stage Four restrictions during the second wave. Many Aboriginal Victorians working in low-paid, part-time or casual jobs in affected industries would have had their hours reduced as a result of coronavirus (COVID-19), leading to even lower amounts of income earned.

- 118 The coronavirus (COVID-19) pandemic has also affected Victorian Aboriginal businesses, with many of their contractors ineligible for Commonwealth Government support.⁶⁰ A Kinaway Chamber of Commerce Victoria survey of 150 Aboriginal businesses in Victoria during the coronavirus (COVID-19) pandemic, found 58 per cent of Victorian Aboriginal businesses indicated they would be ceasing operations if they did not receive further government support.⁶¹ This could have a significant impact on the Indigenous employment rate in Victoria, since Aboriginal businesses are more likely to employ Aboriginal people. 26 per cent of Aboriginal business owners who were surveyed intended to draw on their superannuation, weakening their long-term retirement savings and increasing income inequality between Indigenous and non-Indigenous populations.⁶²
- 119 With Commonwealth Government supports like Jobkeeper and the coronavirus (COVID-19) supplement ending in late March 2021, it is likely that many Aboriginal businesses, employees and jobseekers will face further disadvantage. An increase to minimum wages would offset those impacts and help to strengthen Victoria's economic recovery. It would also support Aboriginal workers, including those who may have drawn on their superannuation, to enable them to rebuild their retirement savings and support their families.

People with disability

- 120 Victorians with a disability are less likely to be employed, with only 53 per cent of Victorians with disability participating in the workforce, compared to 82 per cent of people without disability.⁶³ People with disability accounted for only 2.8 per cent of people starting apprenticeships or traineeships.⁶⁴ More households with a person with disability are in low-income brackets: 38 per cent of Australian households with a person with disability, compared with 18 per cent of Australian households without a person with disability.⁶⁵ 45 per cent of Australian single parents with disability fall within a low-income bracket.⁶⁶ The gap in median

⁵⁹ Department of Premier and Cabinet, *Aboriginal Affairs Report 2019*.

⁶⁰ Kinaway Chamber of Commerce Victoria, [COVID-19 forces closure of more than half of Victoria's Indigenous businesses](#), [media release] 18 May 2020.

⁶¹ Kinaway Chamber of Commerce Victoria, [COVID-19 forces closure of more than half of Victoria's Indigenous businesses](#).

⁶² D Foley and J Brown, *COVID-19 Economic Impact Report – Victorian Aboriginal and Torres Strait Islander Business (Preliminary Findings)*, 2020, cited in Kinaway Chamber of Commerce Victoria, [COVID-19 forces closure of more than half of Victoria's Indigenous businesses](#).

⁶³ Victorian Government, 'Every Opportunity – Victorian Economic Participation Plan for People with Disability, 2018-2020'.

⁶⁴ Victorian Government, 'Every Opportunity – Victorian Economic Participation Plan for People with Disability, 2018-2020'.

⁶⁵ Australian Institute of Health and Welfare, 'People with Disability in Australia', Australian Government 2 October 2020).

⁶⁶ Australian Institute of Health and Welfare, 'People with Disability in Australia'.

income between people with and without disability increased by 22 per cent from 2012 to 2015.⁶⁷

- 121 People with lower work capacity due to their disability may only be paid a percentage of the national minimum wage.⁶⁸ For example, someone with a work capacity of 70 per cent will earn 70 per cent of the national minimum wage. This makes a strong minimum wage even more important for people with disability. In addition to lower incomes, workers with disability often have additional expenses contributing to an increased cost of living, such as medical appointments, medication and supports.
- 122 Coronavirus (COVID-19) has posed additional health risks for people with disability, and the restrictions have compounded mental health issues, and created additional barriers to employment and higher living costs, increasing economic insecurity. This has been particularly acute in Victoria with the greater severity and duration of restrictions.
- 123 As with many groups on low incomes or with limited workforce engagement, many people with disability have low or no savings to insulate themselves from economic shocks. In addition, people with disability and their carers were excluded from the Commonwealth coronavirus supplement. As a result, the coronavirus (COVID-19) pandemic has impacted people with disability to a much greater extent than people without disability.
- 124 People with disability face unique barriers regarding employment, and other aspects of their identity can compound their economic challenges. Aboriginal Victorians experience disability at double the rate of that experienced by non-Aboriginal people,⁶⁹ combined with higher levels of socioeconomic disadvantage. Women with disability in Australia are much more likely to live in poverty than people in the general population, are more likely to be unemployed, and are more concentrated in precarious, informal, subsistence and vulnerable employment than other women, and men with disability.⁷⁰ People with disability who are mature-aged or from some culturally and linguistically diverse communities face additional barriers to economic participation, including higher levels of discrimination in the workplace.⁷¹
- 125 Increasing the minimum wage would ensure greater quality of life for workers with disability, particularly for those who are on low incomes, in precarious employment, or earn only a percentage of the minimum wage. It would allow workers with disability to build their savings and to afford to support themselves in the short and longer term.

Culturally and linguistically diverse

- 126 Culturally and linguistically diverse communities make up a significant portion of Victoria's population, with 28.4 per cent of Victorians born overseas from over 200 different countries.⁷² In 2016, 26 per cent of Victorians spoke a language other than English at home, the highest

⁶⁷ Victorian Government, 'Every Opportunity – Victorian Economic Participation Plan for People with Disability, 2018-2020'.

⁶⁸ Fair Work Ombudsman, '[Employees with disability pay rates](#)', Australian Government.

⁶⁹ First Peoples Disability Network Australia, 2016.

⁷⁰ Women with Disabilities Australia, 2016.

⁷¹ Diversity Council Australia (2015). National Ethnic Disability Alliance (2013).

⁷² Department of Premier and Cabinet, '[Population Diversity in Victoria: 2016 Census Local Government Areas](#)', 2018; Department of Premier and Cabinet, Victorian Government, 2018, pp. 1.

proportion of any other state.⁷³ International students make up a significant portion of Victoria's multicultural community, with over 250,000 students coming to Victoria in 2019.⁷⁴

- 127 Culturally and linguistically diverse communities have lower employment participation and are more concentrated in lower paid jobs. Refugees and migrant workers on temporary visas in particular are more likely to be employed in low-income or insecure roles, making them particularly vulnerable in times of recession.⁷⁵ Of the temporary visa holders who were working in 2019, 59 per cent were in low-skilled occupations.⁷⁶ By including those on student or working holiday visas, the number in low-skill occupations reaches 75 per cent.⁷⁷ These jobs are concentrated in the industries most affected by the coronavirus (COVID-19) restrictions, including food and beverage services, road transport, food manufacturing, administrative services and accommodation.
- 128 Culturally diverse workers in low-income roles are more likely to live in lower socio-economic areas in outer suburbs of Melbourne that have higher unemployment and less access to higher paid jobs, including the Local Government Areas (LGAs) of Casey, Monash and Greater Dandenong in the south-east, and Brimbank and Wyndham in the north-east.⁷⁸ Some of the most disadvantaged locations in Melbourne, these areas have a higher concentration of casual workers, many employed in essential jobs that cannot be completed from home.⁷⁹ Low-income workers often work in multiple low-income jobs to cover their living costs and, facing increased financial insecurity, many risked their health and safety to attend work during coronavirus (COVID-19) restrictions.⁸⁰
- 129 The coronavirus (COVID-19) pandemic has had a significant impact on cultural and linguistically diverse communities, compounding the economic pressures on already marginal communities while also expanding the challenges to new groups, particularly international students. International students, refugees and temporary migrants have been excluded from Commonwealth Government supports, including JobKeeper and JobSeeker.⁸¹ As a result, many of them rely on low wages earned from precarious, casual or part-time work to support themselves, along with charitable assistance.
- 130 The economic recovery from coronavirus (COVID-19) should assist international students who have remained in Australia to regain work, but for culturally diverse communities that were disadvantaged before the pandemic, the recovery risks leaving them worse off than before. An increase to the minimum wage is particularly critical to support low-income migrants from

⁷³ Department of Premier and Cabinet, '[Discover Victoria's diverse population](#)', Department of Premier and Cabinet, Victorian Government, 2020.

⁷⁴ R Dexter, '[Victorian international students still waiting for crisis support](#)', *The Age*, 17 May 2020.

⁷⁵ J van Kooy, '[COVID-19 and humanitarian migrants on temporary visas: assessing the public costs](#)', Refugee Council of Australia, Research Briefing Note no. 2, July 2020, pp. 1.

⁷⁶ J Daley, '[Immigration and wage growth](#)', Grattan Institute, Discussant Paper, 2019, pp. 6.

⁷⁷ Daley, 'Immigration and wage growth'.

⁷⁸ Department of Premier and Cabinet, '[Victoria's diverse population: 2016 Census](#)', Department of Premier and Cabinet, Victorian Government, 2017, pp. 5, figure 1.

⁷⁹ B Schneiders and R Millar, '[A city divided: COVID-19 finds a weakness in Melbourne's social fault lines](#)', *The Age*, 8 August 2020.

⁸⁰ Schneiders and Millar, '[A city divided: COVID-19 finds a weakness in Melbourne's social fault lines](#)'.

⁸¹ Dexter, '[Victorian international students still waiting for crisis support](#)'.

culturally and linguistically diverse communities to recover from the crisis and seek opportunities for employment and economic participation which will lead to greater financial wellbeing.

Rural and regional Victoria

- 131 At the 2016 census, 29 per cent of households in regional Victoria were in the lowest income quartile, the largest group of all quartiles and the fastest growing group between the 2011 and 2016 census.⁸² The median annual income of households in regional Victoria was nearly \$10,000 lower than metropolitan Melbourne in 2018.⁸³ This means a larger proportion of regional households are on low incomes and are likely to be reliant on the minimum wage as an essential component of setting their wages.
- 132 Impacts of coronavirus (COVID-19) on rural and regional Victoria varied across the state. Despite having looser restrictions, regional Victoria still experienced significant job losses and related economic impacts. Three of the four worst affected regions for job losses were in regional Victoria (Mildura, Wellington and South West Gippsland), with the largest regional recipients of JobSeeker in Morwell, Moe, Bendigo, Orbost and Upper Yarra Valley.⁸⁴
- 133 The impact of coronavirus (COVID-19) on low-income households in rural and regional Victoria will mean a more challenging job market with less opportunities to find better paid employment. This will affect the ability of these households, comprising nearly half a million people, to build their savings and to support themselves in retirement.
- 134 An increase to minimum wages is therefore essential to support rural and regional low-income households to ensure their financial wellbeing in both the short and long term.

Outer suburban Melbourne and areas of entrenched disadvantage

- 135 Those living in outer suburban areas of Melbourne have been more adversely affected by the coronavirus (COVID-19) pandemic than many other parts of suburban Melbourne⁸⁵ – and they are also more likely to be on lower wages or the minimum wage. Studies of local labour markets have found that low-income earners travel smaller distances to work, which limits their opportunities for employment.⁸⁶ In addition, many low-income roles cannot be performed remotely. This particularly impacts low-income earning women in outer suburban areas with caring responsibilities, who need to remain close to their children, which limits their employment options.⁸⁷
- 136 The impact of the coronavirus (COVID-19) pandemic has been greater in areas with higher economic disadvantage such as the local government areas of Hume, Brimbank and Greater

⁸² Id, '[Regional VIC Household income quartiles](#)'.

⁸³ Wilkins, Botha, Vera-Toscano and Wooden, [The Household, Income, and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 18](#).

⁸⁴ K Curtis and S Wright, 'Jobseeker welfare cut to hit outer suburbs', *The Age*, 29 Dec 2020.

⁸⁵ Curtis and Wright, 'Jobseeker welfare cut to hit outer suburbs'.2020.

⁸⁶ J Meekes and W Hassink, '[Endogenous Local Labour Markets, Regional Aggregation and Agglomeration Economies](#)', IZA Discussion Paper No. 12765, 2019.

⁸⁷ A Hedge, '[Spatial leashes in our communities](#)', 20 June 2019.

Dandenong.⁸⁸ While other areas such as inner Melbourne have also been heavily affected by the coronavirus (COVID-19) pandemic, they are likely to recover much more quickly than outer suburban areas once restrictions are eased.

- 137 The anticipated slow recovery in outer suburban areas from the coronavirus (COVID-19) pandemic is likely to have substantial impacts on access to jobs and opportunities to obtain well paid employment. This will also interact with other financial pressures such as housing. Low-income households will be even more limited in their ability to build savings and to support themselves in periods of unemployment, underemployment, and in retirement, leading to a much greater dependence on government support, which is likely to flow on to future generations.
- 138 A reasonable increase of two per cent to all minimum wages is therefore essential to support low-income households in outer suburban Melbourne to ensure their financial wellbeing in both the short and long term, for current and future generations.

The Victorian Jobs Plan

- 139 The Jobs Plan sets out the Victorian Government's plan for Victoria's growth and recovery from the severe effects of the global recession. This is underpinned by two key principles:
- The Government will not leave any worker, sector or community behind. Genuine recovery means inclusive recovery, where every Victorian gets the support they need.
 - The Government will leverage the State's strengths. Victoria has a range of fundamental strengths that will be critical to our rebuild and our long-term future.
- 140 The Jobs Plan will provide a targeted, timely economic stimulus that 'kick-starts' the economy – getting more Victorians back to work and laying the foundations for a more inclusive and innovative economic recovery. The Jobs Plan is built on fundamentally strong budget settings, a track record of investment in services and infrastructure, and an enviable record of economic growth throughout the state. It also reflects that there is no 'one' Victorian worker, business or community. An effective recovery plan requires tailored support to meet the diverse needs of our State.
- 141 Guiding this work, the Jobs Plan has four distinct elements:
- Getting Victorians back to work
 - Building our State as we rebuild our economy
 - Support for industries and leveraging our strengths
 - Ensuring no community and no Victorian is left behind.
- 142 Together these four key pillars will help grow jobs, get more Victorians in work, and begin the State's recovery.

⁸⁸ L Henriques-Gomes, '[We should not pretend everybody is suffering equally': Covid hits Australia's poor the hardest](#)', *The Guardian*, 27 Sept 2020.

Getting Victorians back to work

- 143 As outlined above, several sectors and groups of workers have experienced a greater economic impact due to the characteristics of the coronavirus (COVID-19) pandemic and the necessary health restrictions. Sectors that are population dependant, like hospitality and residential construction, and sectors that have experienced structural change as a result of changes in consumer behaviour, like business travel and bricks and mortar retail, are likely to experience prolonged employment impacts. There has also been a disproportionate impact on younger and more insecure cohorts of Victorians, in particular casual workers and women.
- 144 The Government's response is to focus heavily on repairing and supporting participation and employment in the first phase of the recovery, with an emphasis on supporting vulnerable cohorts, particularly through this uncertain period. This support for workers includes boosting workforce participation through labour market programs, coupled with building worker capability through traditional and new approaches to skills.

Targeted support for affected workers and business

- 145 The Jobs Plan acts immediately to repair and support participation and employment, supporting insecure workers.
- 146 A substantial number of Victorians have been left without a job due to the coronavirus (COVID-19) pandemic or are currently not working and supported through the Commonwealth's JobKeeper program. Many others have had their hours cut, while a further group of workers has left the workforce. These Victorians will be provided with opportunities to play a role in the State's recovery. This will include opportunities for further skill development to re-enter the workforce, the development of new skills to switch to the industries that will enjoy significant growth, or just get that crucial start in the workforce they need.
- 147 The Jobs Plan includes Jobs for Victoria, a new \$619 million initiative to maximise jobs and help Victorians into work. This investment includes 10,000 work placements that will complement Commonwealth initiatives; the promotion of further placements using expert job mentors, and jobs and skills advocates; and it will continue the successful JobsBank program.
- 148 A New Jobs Tax Credit will also be provided to encourage small and medium sized firms to re-employ staff, restore staff hours and hire additional staff. Businesses with annual Australian group wages less than \$10 million will receive a non-refundable credit of 10 cents for every dollar of Victorian wages paid in 2020-21 and 2021-22 above the previous year's wages.
- 149 This targeted support for business from the Victorian Government reflects the significant role that small and medium sized firms play in the Victorian economy and are a major source of employment, particularly in those industry sectors that have been the most affected by coronavirus (COVID-19). The New Jobs Tax Credit is critical support for employers to recover from coronavirus (COVID19) especially with the imminent withdrawal of wage subsidies from the Commonwealth Government's JobKeeper program. The New Jobs Tax Credit may offset any cost increases, including increases to minimum wages, for small and medium sized firms.

Conclusion

- 150 The Victorian Government strongly believes that an increase to the National Minimum Wage and all award minima is a necessary component to economic recovery from the coronavirus (COVID-19) pandemic. The Victorian Government has a strong focus on industry and business support, which is essential to economic recovery in the State, particularly with the imminent cessation of Commonwealth Government support for Victorian workers, employers and job seekers affected by the pandemic.
- 151 Unfortunately, any increase in minimum wages cannot directly address the situation of those on JobSeeker, who have just received from the Commonwealth Government a parsimonious increase of around \$3.50 a day, leaving much of that group in poverty. The Victorian Government urges the Commission to fulfil the objectives under the Fair Work Act, and increase minimum wages in a manner that can genuinely go towards redressing the existing and new inequalities that have been exacerbated or emerged during the pandemic. This applies especially for women working in the most affected industries. Increases to minimum wages can strengthen consumer spending locally and nationally, and improve retirement incomes, particularly for more marginalised cohorts of workers.