

# **Briefing Paper:**

# Working With COVID: Insecure Jobs, Sick Pay, and Public Health

By Dan Nahum and Jim Stanford<sup>1</sup> May 2022

#### **Introduction: The Public Health Risks of Inadequate Sick Pay Protections**

A major policy issue throughout the COVID-19 pandemic has been the need for greater supports for workers who should stay away from work in order to limit spread of the disease. This includes workers who have COVID (or COVID-like symptoms), may have been exposed to someone with COVID, and/or need to stay home from work to care for someone with COVID. Over one-third of employed Australians have no access to statutory paid sick leave entitlements (including workers hired under casual employment arrangements, and self-employed workers). And for many others (especially permanent part-time workers, whose pro-rated paid leave entitlements are less comprehensive), sick pay entitlements could be quickly exhausted by extended absences required to follow public health guidance during a long pandemic.

Given the obvious inadequacy of conventional sick pay entitlements, the Commonwealth and some state governments brought in various emergency measures to reduce the financial cost to workers of staying away from work during the pandemic. These programs included, at different times: the Coronavirus Supplement (which the Commonwealth introduced in April 2020, but began phasing out just six months later, eliminating it entirely by March 2021); the COVID-19 Disaster Payment (phased out in late 2021); the Pandemic Leave Disaster Payment (to be eliminated as of June 2022); and state-specific benefits offered to some groups of workers (most notably Victoria's new Sick Pay Guarantee program). Both the coverage of these programs (which excluded many workers) and their longevity were inadequate, especially as the pandemic evolved through successive waves of contagion. And even for those who qualified, many still experienced significant out-of-pocket financial costs as a result of staying home from work for COVID reasons. Throughout the pandemic, the

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Commonwealth government rebuffed calls for a nationwide general pandemic leave policy.

The financial burden of staying home from work constitutes a significant disincentive for workers to follow public health guidelines and isolation instructions. It thus undermines workers' own health, and that of their colleagues, customers, and the broader community. High-profile examples of community spread resulting from people working when they should have been isolating, confirms the risk to public health of inadequate sick pay protections.<sup>2</sup>

In short, Australia's sick pay entitlements are clearly inadequate to protect workers' health and safety at work, and allow them to stay home from work when health advice requires it. The expansion of non-standard and insecure forms of work (including parttime work, casual jobs, contractor positions, and 'gigs') has heightened concern that many workers do not have the effective ability to stay home from work for health reasons. In February 2020, as the pandemic was about to hit, 8.6 million Australians were employed in paid jobs with sick leave entitlements; 1.6 million of those worked part-time, and hence had access only to pro-rated sick pay.<sup>3</sup> Some 2.3 million worked as employees in casual jobs, in which no paid leave is provided. Another 2.2 million Australians were owner-managers of their own businesses, for whom staying home from work often jeopardises income. An unknown number of Australians also performed work in various forms of platforms businesses or gigs, who may not be fully captured in conventional labour force surveys. 4 In total, 37% of all employed Australians in February 2020 had no statutory sick pay entitlement. Another 12% had access only to pro-rated part-time entitlements. When the pandemic hit Australia, therefore, barely half (51%) of employed workers could count on regular full-time income if they had to stay home from work. And even for them, the 10 days of personal/sick leave provided per year was not, in many cases, sufficient to support longer absences often required as a result of COVID (due to longer recovery periods, multiple exposures, or other factors).

#### Polling Australians' Experience with Working Under COVID

To investigate the importance of sick pay entitlements for the health of workers, their colleagues and customers, and the broader community, the Centre for Future Work polled 1000 respondents from 22 to 25 February 2022 with several questions regarding perceived workplace safety, sick leave entitlements, and work practices during the

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<sup>&</sup>lt;sup>2</sup> For example, see Calla Wahlquist, 'Victoria Covid update: removalists from NSW banned after six more cases,' *The Guardian*, 16 July 2021, and Eugene Boisvert, 'No charges against pizza bar worker who led South Australia into coronavirus lockdown,' *ABC News Online*, 1 December 2020.

<sup>&</sup>lt;sup>3</sup> All statistics in this paragraph based on calculations from ABS, Labour Force Detailed, Table 13, February

<sup>&</sup>lt;sup>4</sup> A unique national survey reported in Paula Macdonald, et al., *Digital Platform Work in Australia: Prevalence, Nature and Impact* (Melbourne: Victorian Department of Premier and Cabinet, 2019), indicated that 7% of adult Australians (or 1 million people) earned income through some form of on-demand work in the previous 12 months. Many of these workers are not captured by conventional labour force and employment data, and almost none of them would receive income if they were absent from work for health reasons.

pandemic.<sup>5</sup> We asked whether workers felt safe in their on-site workplace in the context of COVID-19; whether they had access to paid sick leave entitlements (both whether their job provides such entitlements at all, and if so whether they had any days of coverage remaining); and whether they had attended their normal on-site workplace with COVID-like symptoms or after being exposed to someone who was potentially infectious with COVID-19.

Of those polled, 63% were employed.<sup>6</sup> Those respondents who indicated that they were not employed were excluded from the remaining questions about workplace safety, sick pay entitlements, and working practices during the pandemic.

### Feelings of Safety at Work During COVID

First we asked whether respondents felt safe attending their normal on-site place of work during the pandemic. These results are illustrated in Figures 1 and 2. A total of 18% of employed respondents indicated they felt unsafe at work in the context of COVID-19: 14% felt somewhat unsafe, and 4% felt very unsafe. The proportion of respondents who felt unsafe was greater among women (21%) than men (16%). Just over a third of respondents (35%) indicated that they felt very safe at their on-site workplace in the context of COVID-19.

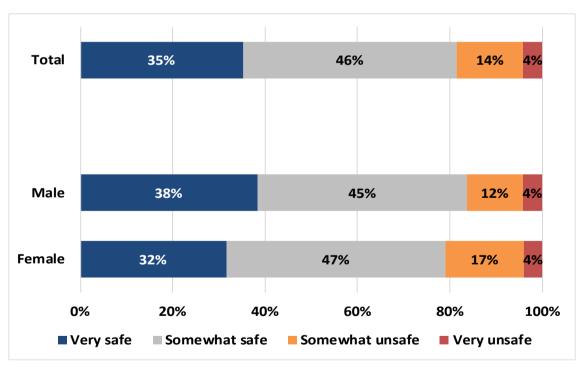


Figure 1. Feelings of safety in the on-site workplace, by gender.

Source: survey results, as described in text.

<sup>&</sup>lt;sup>5</sup> Details on the sample and methodology adopted in the poll are provided in the Appendix.

<sup>&</sup>lt;sup>6</sup> That was very close to the 63.8% employment-to-population ratio reported for that month by the ABS (Labour Force, Table 1).

<sup>&</sup>lt;sup>7</sup> This could possibly be due to a greater propensity for women to work in customer-facing service roles, a greater tolerance for risk on the part of men, or a combination of the two.

The COVID-19 pandemic increased the bifurcation between workers who are able to work from home (professional, managerial, or clerical workers, often better-remunerated and in more secure jobs) and those who are not (in jobs that intrinsically require on-site presence for work to be carried out). The increased sense that work is unsafe among women may reflect their concentration in jobs that are relatively precarious and hence deemed less safe. Women's overrepresentation in various front-line service jobs (in both the private and public sector), where workers confront members of the public on a face-to-face basis, might also contribute to their enhanced concerns over workplace safety during the pandemic.

Young workers are also disproportionately concentrated in front-line service jobs (especially in private sector industries such as retail and hospitality), although young workers reported a somewhat lower incidence of feeling unsafe at work during the pandemic (13%) than other age groups (see Figure 2). Some 21% of workers between 30 and 50 reported feeling unsafe at work, and slightly smaller proportions of older workers. More older workers (over 60) felt very safe at work (46%) than for any other age category. This finding is surprising in light of the increased health risks faced by older people from COVID.

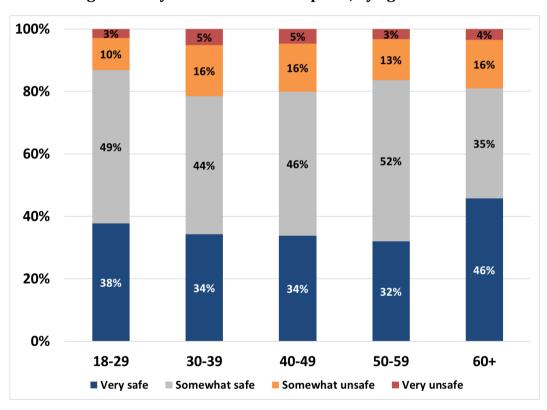


Figure 2. Feelings of safety in the on-site workplace, by age

Source: survey results, as described in text.

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<sup>&</sup>lt;sup>8</sup> See Alison Pennington and Jim Stanford, *Working from Home: Opportunities and Risks* (Canberra: Centre for Future Work, April 2020), for more discussion of the characteristics of those who can work from home.

#### **Access to Paid Sick Leave**

We also asked respondents about their access to paid sick leave entitlements through their jobs. Almost one-quarter of workers (24%) reported having no access at all to paid sick leave in their jobs (see Figure 3). That is smaller than the proportion of actual employment in Australia with no sick leave entitlements; the differential may reflect a lack of awareness among some workers that they have no sick leave, and/or access to informal or non-statutory sick pay arrangements for some small business owners. Another 14% of workers reported having used up all of their sick pay entitlements. Together, then, almost four in ten workers (38%) reported that either they had no paid sick leave remaining, or did not receive any under the conditions of their employment.

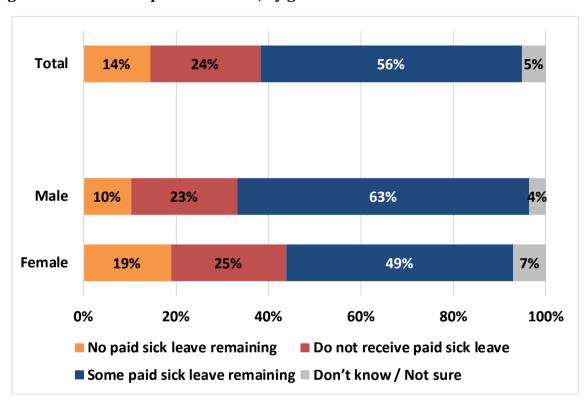


Figure 3. Presence of paid sick leave, by gender

Source: survey results, as described in text.

There were significant differences across genders in access to paid sick leave. One third of men (33%) reported that they had no sick leave (either because they had used it all or did not receive it), compared to 44% of women. Women's over-representation in casual employment is one factor clearly explaining this difference. The fact that women are more likely to stay home from work to care for family members also makes them more likely to have exhausted all sick pay entitlements available to them. Women

<sup>9</sup> As discussed above, at the outset of the pandemic 37% of employed Australians held jobs with no statutory sick leave, including casual employees and self-employed.

<sup>&</sup>lt;sup>10</sup> Women accounted for 54% of all workers in casual positions as of February 2022, and 25% of all female employees were in casual positions (compared to 21% of men); calculations from ABS Labour Force Detailed, Table EQ04.

were almost twice as likely as men (19% versus 10%) to report having used up all of their paid sick leave.

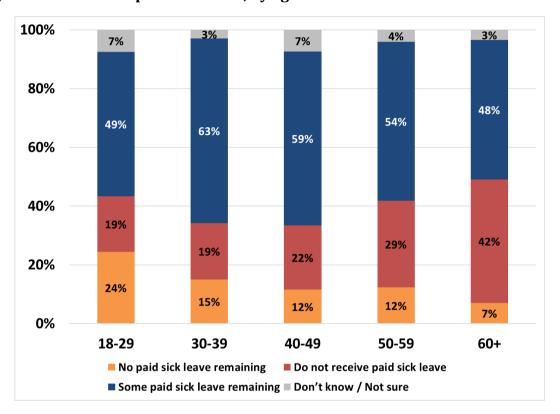


Figure 4. Presence of paid sick leave, by age

Source: survey results, as described in text.

Access to paid sick leave is also highly variable across age groups in the labour force (see Figure 4). Both young workers (those under 30) and older workers (over 60) reported lower availability of sick pay entitlements. Indeed, less than half of workers in both those categories reported having any paid sick leave entitlements available. For younger workers, this was more the result of having exhausted available entitlements (24%) than having no entitlements at all (19%). For older workers, the reverse was true: a larger proportion reported having no sick pay associated with their job, and a smaller group had exhausted what was available. Even for core-age workers, however (between 30 and 60), a very substantial share of workers (over one-third in each case) reported having no available sick pay entitlement at the time of the survey.

These results confirm that Australia's employment system provides inadequate or non-existent paid sick leave for far too many workers. At any time this poses a risk to the health of workers, their colleagues, and customers; ample medical research has associated the absence of paid sick leave protections with greater workplace contagion of seasonal flus and other diseases, and longer absences for workers (who end up getting sicker, when they cannot immediately recover at home or seek prompt care).<sup>11</sup>

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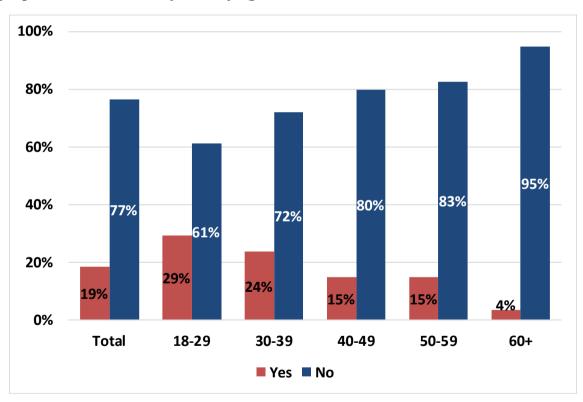
<sup>&</sup>lt;sup>11</sup> See, for example, Gunnar Aronsson, Klas Gustafsson, and Margaretta Dallner (2000). "Sick But Yet at Work: An Empirical Study of Sickness Presenteeism," *Journal of Epidemiological Community Health* 54(7), pp. 502-

Without adequate protection, some workers feel compelled to attend work even when they are ill: either for immediate financial reasons, or because they are afraid that their employment will be terminated if they do not. During a pandemic, however, these consequences of inadequate sick leave entitlements are amplified dramatically – and become a menace to overall public health.

#### **Working With COVID Symptoms or After COVID Exposure**

The intense epidemiological risks arising from inadequate sick pay provisions are starkly confirmed by our survey's findings regarding the number of Australian workers who attended a standard on-site workplace during the pandemic when they clearly should have stayed home. We asked two sets of questions in this regard: whether workers attended work during the pandemic (over the previous two years) despite showing symptoms that could be potentially due to COVID infection, and whether they had attended work despite being exposed to someone (at work, home, or elsewhere) with a potential COVID infection.

Figure 5. Attendance at standard (on-site) workplace with possible COVID-19 symptoms over last two years, by age



Note: 'Don't know/Not sure' responses have been excluded from the graph.

Source: survey results, as described in text.

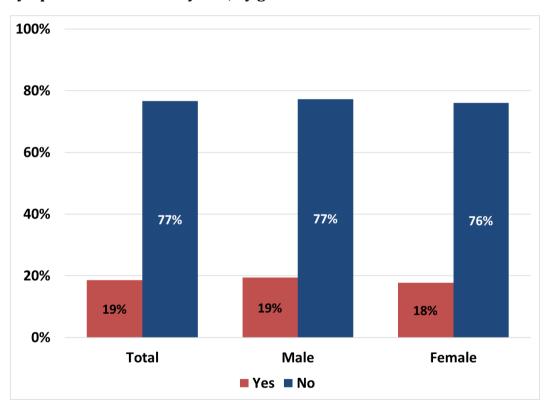
<sup>509;</sup> Abay Asfaw, Roger Rosa, and Regina Pana-Cryan (2017). "Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness," *Journal of Occupational and Environmental Medicine*, 59(9), pp. 822–829; and Jody Heymann, et al. "Protecting health during COVID-19 and beyond: A global examination of paid sick leave design in 193 countries," Global Public Health, WORLD Policy Analysis Center, UCLA. 29 April 2020.

The results are startling. In both cases, close to one-fifth of employed workers surveyed indicated they had attended work despite clearly contradicting public health advice to stay home. This practice of 'working with COVID' (either symptoms or exposure) likely contributed to outbreaks of community spread, which became especially widespread during the more recent Omicron waves of the pandemic.

As illustrated in Figure 5, 19% of workers attended their workplace during the last two years while showing possible COVID symptoms. There is a clear, monotonic correlation between age and likelihood of attending work while symptomatic. This seems to reflect the limited entitlements and job security that younger workers have in the workplace, and perhaps also their generally lower awareness and confidence regarding their rights and responsibilities to stay home. Almost three in ten workers in the 18-29 age group (29%) had attended work while symptomatic. At the other end of the age distribution, less than one in twenty workers aged 60 or over (4%) had attended while symptomatic.

Interestingly, there is little difference between genders in the incidence of attending a workplace with potential COVID symptoms. Men and women were roughly equally likely (19% of men, and 18% of women) to have done so.

Figure 6. Attendance at standard (on-site) workplace with possible COVID-19 symptoms over last two years, by gender



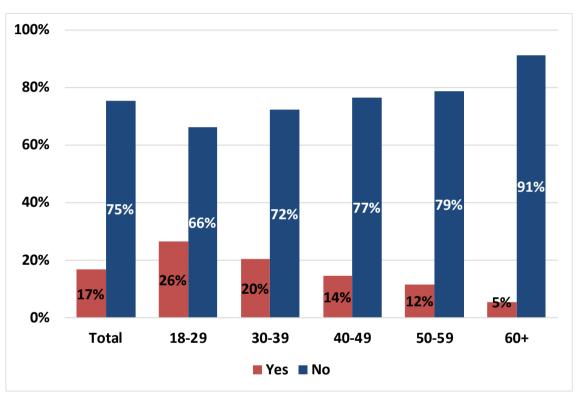
Note: 'Don't know/Not sure' responses have been excluded from the graph. Source: survey results, as described in text.

Workers exposed to someone with a potential COVID infection should also have been isolating because of possible exposure to the virus, and the subsequent risk of

developing infection. Given the exponential growth path of COVID-19 transmission, it is of great concern that a similar proportion of workers (17%) attended work despite potential exposure, in some cases reflecting the lack of income or job security that staying home from work would have entailed.

Figure 7 shows that, once again, young workers were most likely to attend the on-site workplace after contact with someone who may have been infectious. Among younger workers, 26% (over one-quarter) had attended work despite potential exposure. The incidence of working after exposure declines monotonically. In the oldest cohort (over 60), just 5% reported having worked after potential exposure.

Figure 7. Attendance at standard (on-site) workplace after possible COVID-19 exposure over last two years, by age



Note: 'Don't know/Not sure' responses have been excluded from the graph. Source: survey results, as described in text.

There is a modest gender difference in the proportion of workers attending work after possible COVID exposure, as illustrated in Figure 8. A slightly higher proportion of women (18%) reported that they had attended work despite having been exposed to someone with potential COVID infection. In contrast, only 15% of men reported this behaviour. Women's disproportionate responsibility for caring for family members and others through the pandemic could have contributed to increased risk of exposure, and hence increased likelihood of working after exposure. Women's greater concentration in casual positions could also help to explain this difference.

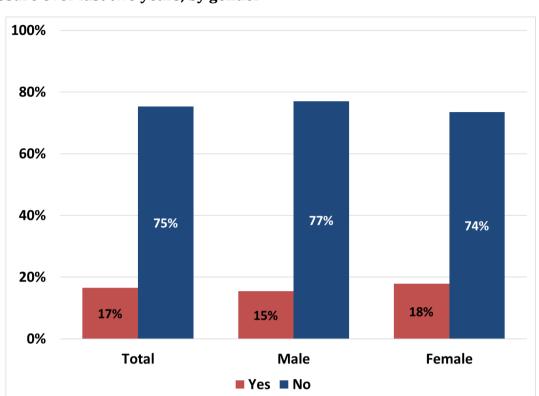


Figure 8. Attendance at standard (on-site) workplace after possible COVID-19 exposure over last two years, by gender

Note: 'Don't know/Not sure' responses have been excluded from the graph. Source: survey results, as described in text.

#### Conclusion

Our polling results indicate that large numbers of Australian workers have experienced significant challenges through the COVID-19 pandemic – attempting to balance the economic imperative of working and earning income, with the necessity of protecting their own health, and that of their colleagues and customers, in the face of an unprecedented public health emergency. Our results confirm that a significant proportion of workers did not feel safe attending their normal workplaces during the pandemic. And that concern, it seems, was justified: significant numbers of their workmates (let alone customers or clients) were in fact attending work despite possible COVID symptoms and/or exposures. With almost one in five respondents (and a higher proportion of young workers) acknowledging working with potential COVID symptoms, the public health dangers of Australia's patchwork system of sick leave and related entitlements is dramatically confirmed.

Even with a comprehensive and adequate sick pay or pandemic leave system, some workers will still feel pressure to attend work when they should stay home, for various reasons: including worry about 'letting down' their employer or colleagues, unavailability of substitute workers, wanting to show their dedication, etc. These non-pecuniary motives for working while ill can be combatted through education, support, and monitoring. But a basic foundation that must be in place to protect workers during

a public health crisis: namely, a comprehensive, inclusive, and generous system of sick pay entitlements.

Australia's current system is lacking badly in that regard. Over one-third of employed people have no statutory sick pay entitlement at all. Millions of others have only partial coverage, and/or have exhausted their entitlements (due to previous absences). The expansion of non-standard and insecure work arrangements (including part-time jobs, casual positions, labour hire, contracting out, and gig work) means the number of unprotected workers is growing. With inadequate benefits and incomplete coverage, the result is an environment in which workers face a devil's choice: between staying home to protect themselves, their colleagues and customers, and the public; or attending work anyway so they can finance the essentials of life for themselves and their families. Without excusing anyone who works when they have been instructed to stay home, governments have a clear responsibility to eliminate financial compulsion pushing too many people into making the wrong choices.

Employers also have a clear responsibility to support COVID-safe practices in workplaces. This means actively encouraging staff to stay home when required by health orders (rather than implicitly, or sometimes explicitly, pressuring workers to attend work anyway). Responsibilities to provide adequate personal protective equipment (PPE), appropriate spatial and distancing practices, good ventilation, and other practices consistent with infection control must also be fulfilled. Government health and safety regulators must be active and ambitious in reinforcing best practices, including by enforcing employers' statutory responsibilities to audit workplaces for safety (including contagion safety) and to take action to remove identified risks.

The COVID-19 pandemic has confirmed that an absence of paid leave entitlements, associated with the growth of insecure employment, is not just a problem for individual workers. It poses broader threats to public health and macroeconomic performance. At any time, a labour market in which workers feel compelled to attend work when ill is clearly failing to meet basic standards of prudence and fairness. Even for employers, the apparent short-term 'benefits' of higher (compelled) attendance at work are likely offset by costs of prolonged illness, contagion risks to colleagues and customers, longer-term job satisfaction and retention, and the risk of damage to the business's brand. From a public health and social welfare perspective, however, the trade-off is unacceptable.

The policy implications of this analysis are clear. Most immediately, the government needs to expand sick pay entitlements to cover all workers (including those in casual employment and self-employed situations). This should occur first on an emergency basis while the COVID-19 pandemic continues to run its course, but ultimately on a permanent basis once the pandemic abates. More broadly, government policy should also prioritise strategies to limit and reduce the incidence of insecure work: including

<sup>&</sup>lt;sup>12</sup> For possible features of an emergency pandemic leave system, see Australian Council of Trade Unions, *Paid Pandemic Leave*, ACTU Policy Brief (Melbourne: ACTU, 2020), https://www.actu.org.au/media/1449233/d40-paid-pandemic-leave.pdf.

by constraining employers' use of 'permanent casual' arrangements, sham contracting, and on-demand gigs, none of which provide normal and healthy paid leave entitlements. Unfortunately, the Commonwealth government has actually reinforced the shift toward insecure working arrangements – including through its 2021 amendments to the Fair Work Act, which cemented and expanded employers' rights to hire workers on a casual basis (with no sick pay) in virtually any job they wish.

The endemic spread of non-standard work in all its forms (casual, part-time, contracting, labour hire, and gigs) is the end result of a 'contagion' of insecurity that needlessly accelerated the spread of COVID-19. The fear that Australian workers have been experiencing at work, and the pressure that led far too many of them to attend work even with possible COVID symptoms or exposure, are alarming indications of how significantly Australia's labour policies on this issue need to change.

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<sup>&</sup>lt;sup>13</sup> Proposals for limiting the use of precarious employment practices through a de facto employment test are advanced by Andrew Stewart et al., *The Wages Crisis: Revisited* (Canberra: Centre for Future Work, 2022); see especially p. 66.

#### **Appendix: Methodology**

Between 22 February and 25 February 2022, the Australia Institute surveyed 1000 adults living in Australia, online through Dynata's panel, with nationally representative samples by gender, age group and state/territory.

Voting crosstabs show voting intentions for the House of Representatives. Those who were undecided were asked which way they were leaning; these leanings are included in voting intention crosstabs.

The research is compliant with the <u>Australian Polling Council Quality Mark standards</u>. The long methodology disclosure statement follows.

## Long disclosure statement

The results were weighted by three variables (gender, age group, state/territory) based on Australian Bureau of Statistics "National, state and territory population" data, using the raking method. This resulted in an effective sample size of 963.

The margin of error (95% confidence level) for the national results is plus or minus 3%.

Disaggregated state results are shown only for the four larger states.

Voting intention questions appeared just after the initial demographic questions, before policy questions. Respondents who answered "Don't know / Not sure" for voting intention were then asked a leaning question; these leanings are included in voting intention crosstabs. "LNP" includes separate responses for Liberal and National. "Other" refers to Independent/Other, and minor parties in cases where they were included in the voting intention but represent too small a sample to be reported separately in the crosstabs.



#### **Detailed results**

No preceding questions in the poll are expected to have influenced the results of the questions published here.

What is your employment status?

	Total	Male	Female	18-29	30-39	40-49	50-59	60+
Employed, permanent full-time	39%	50%	29%	42%	54%	49%	35%	13%
Employed, permanent part-time	16%	11%	21%	19%	17%	19%	15%	10%
Employed, fixed-term contract	2%	2%	2%	3%	3%	3%	0%	1%
Employed, casual	6%	5%	7%	10%	7%	3%	8%	6%
Not employed	37%	32%	41%	26%	20%	26%	42%	71%

Respondents who were not employed were not asked the remaining questions.

In the context of the COVID-19 pandemic, do you feel safe attending your standard (onsite) workplace?

	Total	Male	Female	18-29	30-39	40-49	50-59	60+
Very safe	35%	38%	32%	38%	34%	34%	32%	46%
Somewhat safe	46%	45%	47%	49%	44%	46%	52%	35%
Somewhat unsafe	14%	12%	17%	10%	16%	16%	13%	16%
Very unsafe	4%	4%	4%	3%	5%	5%	3%	4%

	NSW	QLD	VIC	WA	LNP	Labor	Green	One Nation	Ind. / Other
Very safe	32%	45%	36%	21%	41%	27%	29%	58%	44%
Somewhat safe	51%	44%	38%	59%	47%	53%	40%	31%	32%
Somewhat unsafe	14%	8%	18%	13%	9%	16%	22%	11%	19%
Very unsafe	2%	3%	8%	7%	2%	4%	9%	0%	6%

In the last two years, have you attended your standard (on-site) workplace with possible COVID-19 symptoms (e.g. fever, coughing, sore throat, shortness of breath)?

	Total	Male	Female	18-29	30-39	40-49	50-59	60+
Yes	19%	19%	18%	29%	24%	15%	15%	4%
No	77%	77%	76%	61%	72%	80%	83%	95%
Don't	5%	3%	6%	9%	4%	5%	2%	2%
know /								
Not sure								

	NSW	QLD	VIC	WA	LNP	Labor	Green	One Nation	Ind. / Other
Yes	17%	24%	18%	16%	17%	18%	25%	22%	16%
No	78%	71%	78%	81%	79%	77%	75%	67%	74%
Don't know / Not sure	5%	5%	4%	4%	3%	5%	0%	11%	10%

In the last two years, have you attended your standard (on-site) workplace after being exposed to someone who was infectious with COVID-19, during the period you may have been infectious?

	Total	Male	Female	18-29	30-39	40-49	50-59	60+
Yes	17%	15%	18%	26%	20%	14%	12%	5%
No	75%	77%	74%	66%	72%	77%	79%	91%
Don't	8%	8%	9%	7%	8%	9%	10%	4%
know /								
Not sure								

	NSW	QLD	VIC	WA	LNP	Labor	Green	One Nation	Ind. / Other
Yes	18%	17%	17%	7%	17%	17%	24%	14%	10%
No	74%	77%	76%	84%	77%	76%	72%	72%	71%
Don't	8%	6%	7%	9%	6%	7%	4%	14%	19%
know /									
Not sure									

Do you have any paid sick leave days remaining?

	Total	Male	Female	18-29	30-39	40-49	50-59	60+
Yes, I have some paid sick leave remaining	56%	63%	49%	49%	63%	59%	54%	48%
No, I have no paid sick leave remaining	14%	10%	19%	24%	15%	12%	12%	7%
I don't get paid sick leave in my job	24%	23%	25%	19%	19%	22%	29%	42%
Don't know / Not sure	5%	4%	7%	7%	3%	7%	4%	3%

	NSW	QLD	VIC	WA	LNP	Labor	Green	One Nation	Ind. / Other
Yes, I have some paid sick leave remaining	61%	48%	62%	50%	63%	59%	53%	39%	42%
No, I have no paid sick leave remaining	13%	22%	12%	11%	17%	14%	15%	8%	12%
I don't get paid sick leave in my job	22%	26%	21%	36%	17%	21%	31%	44%	38%
Don't know / Not sure	5%	4%	5%	4%	3%	6%	1%	8%	9%