

Submission Regarding the Inquiry Into Employment:
Increasing participation in paid work

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1. INTRODUCTION: A country in crisis-

Government policy has constructed an economy that squanders the energies and talents of millions of jobless. More than 30% of our productive capacity is idle and wasted. Work is currently defined as 'paid' work and is assumed to be productive, while unpaid work is considered to be unproductive. At present there is an artificial division of work performed in the public vs private sector.

In a traditional economic analysis, households are viewed as only engaged in the consumption of goods and services. In fact they are also major producers of services (eg public transport, retail consumers, (where most of support income is spent) child and elder care that contributes to the economic and social wellbeing. As this type of work is not measured, it is not reflected in the national accounts. Women do most of this work; the lack of recognition of unpaid work devalues a great deal of women's work.

According to the paper: "BUILDING A SIMPLER SYSTEM TO HELP JOBLESS FAMILIES AND INDIVIDUALS, ISBN 0 642 77055 7" the motivation is towards "self reliance and social inclusion. The paper is summarised in the title -'building a simpler system' to help "deal" with unemployed people. This sounds like a failure of policy to address the problem. Government wants to 'deal' with it instead of solved the problem. The problem lies with the poor policies that scapegoat income support recipients as victims instead of helping them.

When this paper is compared with Centrelink's "People Management Community News, Edition 10, 5 August 2003" it would appear that the focus of policy makers is to reduce and manage unemployed people off income support. This sort of focus marginalises people outside the paid workforce and devalues unpaid work. Unpaid work has always sustains the nation's economy it needs to be valued and recognized as productive work by policy makers.

If the inquiry is looking for solutions then the solution is simple -pay people for the work they do. This would mean a redefinition of 'work' and how people spend their time. All paid and unpaid work commitments contribute to the economy, directly and indirectly, reduces the cost of services to business and government, helps society to deal with present and future shock and ultimately ensures a healthier happier community.

Marginalisation itself is a form of violence that leads to other types of violence, feeds back on itself and eventually spirals out of control. Many social commentators claim that violence has increased to a crisis point. Unemployment, that is people existing on less than a living wage, leads to increase poverty and violence. This eventually adds to the nation's overall cost of health, welfare and law and order. Hence the blow out in healthcare costs. (Unemployment Forever? or A Support Income System and Work for All : Allan Mc Donald 1995 . ISBN 0 646 259190 5) Policy makers please read.

According to Ms Christina Pollard, Nutrition Program Manager with the WA Health Department, more than 70,000 West Australians went without food last year because they could not afford it. Burswood Resort donates 25 litres of soup per week to Foodbank. [Kristina Watts article The West Australian]. Foodbank was forced to increase its charge to charity agencies for out-of-date food from 50 cents to 55 cents per kilogram because it has to bring in food from interstate to meet demand. [private communication to Geoff Pain UPU member].

2. BACKGROUND

The future has arrived but our policies are still in the past. For many citizens Australia has drifted into hardship and massive unemployment. It takes a perverse kind of genius to turn a nation's increasing ability to generate wealth into a declining standard of living for many of its citizens.

The UPU recommends that the definition of work as presently classified in the ABS under related topics like Labour Force Status, Occupation, Industry and Hours Worked be expanded to include unpaid work. By expanding into a broader perspective of how people really spend their productive time, all presently marginalised people would be included in policy development. Only then will those who are not fortunate enough to be paid for the productive work they contribute to the economy of the nation be recognised and valued.

3. ADDRESSING THE SUBMISSION CRITERIA

Measures that can be implemented to increase the level of participation in paid work in Australia:

- 3:1. to create work a simple method would be to redefine 'work' to include unpaid work. It is time unpaid work was recognized and valued as a productive part of the economy. Unpaid work includes
 1. Unpaid overtime in the growing recognition that Australians are working among the longest hours in the world today.
 2. Voluntary work: The Government has gone some way to acknowledge the voluntary work many unemployed people do in local communities. However this work should be valued as part of paid work as it makes a valuable positive contribution to the economy of the community and nation at large.
 3. Work in the home or within the community setting such as domestic work, childcare, eldercare, care of those with disability - a relentless tiring unpaid task that saved the health budget. Without financial help many elderly carers are likely to become stressed and need care themselves in the future, thus increasing the cost of mental healthcare.
 4. Work on farms, and small family business.

- 3.2 The Work for the Dole scheme is designed to make it possible for some employers to exploit cheap labour at the expense of the taxpayer. Some Local Government with their large budgets is extensive user of Work For the Dole schemes. Their move to contract work eg cleaners of local halls etc, has increased the costs to ratepayers who are generally not satisfied with the contract services. Many local people who took pride in their work have been deprived of this work. If there is work to be done then employers should engage workers full or part time to do the work and take on the responsibility of an employer. At the same time Government policy should not make it so difficult and expensive for employers to hire labour full or part time. The present cost of Work for the Dole in administration must outweigh any advantages of the present scheme. Likewise the cost of contract work is greater and proven to be not so reliable. The result is local governments waste administration cost & time dealing with community complaints. These things are not considered when contract costing is worked out.

- 3.3 Government needs to invest in local ideas and small business by encouraging new inventions and developing them locally. This would create new employment opportunities. At present scientific and skilled talent leave the country. Over 850,000 Australians are working overseas. Today more than 250 Australians will leave the country having obtained temporary work visas in other countries. That's over 82,000 [figure for 1999] Australians leaving the country each year. In 1995 it was 58,000 [Patricia Karvelas, The Australian 2002]. How long can this be sustained?
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- One man told the UPU member he had "two choices"-One: to kill himself. Two: go overseas to look for work. Today 10 people will commit suicide some because they have lost hope, been rejected for work and have no means of purchasing a ticket out of Australia.
- One young woman couldn't find work when she graduated so she went to the UK where she found work immediately. She returned to Australia and wrote 126 job applications without one interview. She was so downhearted she left for New Zealand where she found work immediately.
- Centrelink are unable to give actual figures of how many of the registered underemployed has tertiary qualifications. In the absence of such basic data, how can education and training programs be designed? It would appear a whole new organisation policy is needed to address these problems.
- Simplicity may not be the solution and mutual obligation works both ways. Our degree graduates are told not to expect a full-time job for more than a couple of years at a time. So they use their initiative to find work themselves.
- Most graduates find their own work without the help of Newstart. Forcing people with maybe two degrees into inane Newstart job training with no permanent job prospects is degrading. Many graduates work ten hours or more contact time

teaching in casual jobs. Their work may take up to thirty hours with preparation, travel and student contact before and after lessons. Newstart job training prevents them from spending time developing in their casual job. Graduates report that Newstart job training is nothing but a waste of their time.

- How can they ever start a family or buy a home unless they have secure employment?
- HECS fees will never be paid off if more young people are forced to move overseas for work. Those that are left behind have to shelter the burden. This puts an enormous strain on young families who are the producers of the next generation.
- No wonder there is a downturn in births in Australia. This in itself produced other population problems that are being ignored by policy makers.
- In this age of stress the only form of production at present is created by policies that produce misery and angst. Or policies and tax deductions that benefit the lucky DINKS to buy another investment home so they can rent to poor families.

- 3.4 Tourism has the potential to create paid work locally. Australian Tourist Commission ignores small local potential businesses like bed and breakfast and local ecotourism in rural and urban situations. However, the rise in insurance costs has frozen many small providers out of the tourist market. A tax incentive for micro businesses for the first four years would see a marked rise in local tourism. Local government could also encourage participation in tourism instead of adding to the cost of setting up small businesses that take a few years to turn a profit.

- 3.5 Australia is heading for a crisis in our schools. Many retrenched professional skilled mature people would welcome a change of profession. After a short crash course these people would make excellent teachers' aids. A teachers aid in every public school classroom would ease the stress problem of large class sizes. It would also ease the unemployment situation for many skilled mature people thrown on the scrap heap today. It would also provide a safety net for the inevitable shortage of teachers in future when the baby boomer teachers retire within the next decade. The second-worst diseases worldwide in future will be depression and mental health, according to the World health Organisation. Government policy must begin to address the growing problem in Australia. Suicide is higher than Japan and increasing daily.

- 3.6 The next suggestion needs some preparation but after some canvassing it is regarded as a good idea and has potential to create a great deal of work if done carefully. An alternative to maternity leave is a year leave for all full-time workers on request. They would then receive the equivalent of unemployment benefits for a year. This would enable them to partake of study leave, maternity leave, eldercare leave, or even do volunteer work for organisations like Oxfam or UNESCO. An

unemployed person would be taken on for the year either in their job or at the bottom and everyone would move up the work ladder for a year. On return re entry to work would need to be undertaken for the person returning to work or they may have found alternative employment and the unemployed person can remain in the job. The same opportunity should be available to people on income support if they can prove their will use the year to make them more employable.

- 3.7 Many baby boomers may not be ready to retire. Some may look for alternative paid work to sustain them until they are seventy or more. The above suggestions would help to make these people remain productive members of their community. Voluntary work is rewarding but it has its long-term costs for a family living on a limited budgets. This is especially so in rural areas. However, if transport and administration costs were paid through a tax incentive system, more people may partake of voluntary work in their community. This would make for healthier happier communities and be economically viable long term.
- 3.8 Solution to safeguard the mental and physical health of the nation, and make more time available for family life, friendship and community service (as our PM often claims his policies are designed for!). The solution is to share the work by policies of compulsory shorter working hours and job sharing. Government should create incentives for employers to shorten working hours and take on more staff. Especially more trade apprenticeships as a future shortage is predicted. This would mean more job sharing and lessen the present high level of stress and mismanagement in the workforce through overwork. Ultimately this would see a reduction in workplace accidents and the health budget. Mental illness through stress in the workplace often leads to violence within families and violence in the community at large which all adds to the cost of services. People working more than one full time job should be discouraged through the tax system.

4. *How a balance of assistance, incentive and obligation can increase participation, for income support recipients.*

4.1 THE NEW TAX SYSTEM

- The first thing the Government must do is increase incentive to work by removing the draconian tax system that forces income support recipients to pay from 60c up to 90c in the dollar tax if they earn a little more to make ends meet. This present system locks people into poverty and robs them of any incentive to enter legal paid work. Ultimately by the time these poor people pay

travel to and from work, pay childcare, extra work clothes, food and related workplace costs they are out of pocket going to work. In addition if a mother is stress children often suffer and may become an added health risk further down the track.

Reducing the number of different payments form 12 to 3 fails to account for individual needs or circumstances. Many will be left out of the loop and their children condemned to poverty. Stopping income support after six months will only put more into the government funds for a short time. People cannot be written off or managed out of the system because the government has no jobs for them. People have a right to basic food shelter and clothing according to the United Nations. Australia is now at the bottom of the scale of OCD countries and the divide between rich and poor increase daily.

4.2 MAKING THE SYSTEM SIMPLER AND FAIRER.

- Is it possible to deliver the same service to people regardless of age, gender, disabilities, cultural background and current circumstances? This includes mature age customers, working parents with school age children, Indigenous Australians, disabled customers and those recently released from prison. The only thing these people have in common is their need for income support, but their needs are not the same and cannot be defined as such. The ever-changing Centrelink policy has caused immeasurable damage and community angst to people of all ages that are dependent on income support, this includes Centrelink workers as members report. The mentally and physically challenged don't survive for very long. The rising high suicide rate is indicative of this.

- 4.3. Income support payments should be made through post offices or with no bank charges to people with less than \$500 in their account. A Reserve Bank of Australia discussion paper shows that 22% of Australian households are described as "cash constrained" - those that find difficulty meeting all their commitments. Politicians' policy of asking these people to save is stupid to say the least!

Over one third of all Australians aged 15-64 are dependent on some sort of welfare payment. Recent media interest in the massive failures of the Job Network and the Government's JobSearch website [e.g. The Australian 15/7/03 and, 25/7/03 Patricia Karvelas page 2].

- 4.4. Often people work more than one casual job, two or three to make ends meet in order to offset low wages in part time or casual work. This is not an ideal work situation. It is stressful and offers no security only angst to families. Australia needs a policy of guaranteed living wage.
- 4.5. Since the growth of casual work a new poverty has emerged. It costs more to travel to work for a few hours at different jobs and often workers are

not insured during their journey to and from work, as they cannot afford the insurance. This puts people at greater risk.

- 4.6. The original income support system was designed for a very different world where most jobs were full time, most unemployment was short-term, married women didn't work and households managed on one wage earner. Now it is an all or nothing- a full time job and earn and work excess to invest in a second or third home. At the other end people don't earn enough working part time or casual, doomed to rent and forced poverty by a tax and education system that prevents economic and social upward mobility.
- 4.7 As the welfare system evolved over the years, more payment types have been added and rules and payments changed. This has created an unnecessarily complex system that people find hard to navigate. It appears deliberately confusing, many people are unaware of their rights and don't know what questions to ask. Many people for various reasons lack education and understand and fear Centrelink as a system only interested in informing people of their responsibilities- managing them! Few people know their rights.
- 4.8. Mutual obligation must work both ways. The assumption is people have a permanent address, a telephone are literate as well as computer literate. This is often not the case. Hence the criticism of Centrelink policies.
- 4.9 If people don't comply with Centrelinks regulations they are breached and their dole is cut or stopped. The word dole is not longer used but that is exactly what it is - dates back to the master-slave relationship and the feudal system. Seventy-nine percent of dole breach reports, a staggering 161,000 recommended breaches, were overturned by February this year according to Freedom of Information study by researcher Susan Lackner [Christine Jackman, The Australian 10/7/03 page 4].
- Businesses, communities and governments are now competitive and linked in the market place. They must employ increasing numbers of people on mutual obligation as their contribution and participation effort. But what about their commitment? Does it go further than mere profit? Government has the means to change self-centred greedy ideology and make industry more accountable for the survival of communities.
- The term "dole bludger" frequently used by ministers in Parliament: Tony Abbott, Amanda Vanstone, Mal Brough et al should be banned as vindictive. It violates and degrades people who are receiving income support for the first time through no fault of their own. Unemployed mature people laid off work by

greedy share take over bids become distressed even suicidal when vilified by elected politicians and in the national press. See suicide statistics.

5. CONCLUSION.

Centrelink's *People Management Community News* 5 August 2003 talks about "people driving performance", gets nearer to what "*Building a simpler system to help jobless families and individuals*" is all about. The aim of both these documents is to devise strategies to rid this country of unemployment (and unemployed people). Today 10 Australians will commit suicide and hundreds of others will attempt it. Suicide, depression, organic diseases, violence against one another, crime its all built in and in fact, all of these things create employment in this economically driven system. Surely a policy of prevention through real secure job creation planning would be more economically viable than increasing social services? Or does the Government intend to produce more homeless, jobless miserable people living in poverty when they stop income support after six months?

There has to be another more empathetic policy approach with vision. One that addresses the increasing problems of underemployment and obligation to income support that is equivalent to a living wage. There is no simple solution. Policy planners need to create policies that build stronger community that will generate opportunities for economic and social participation for all citizens. Only then will Australia become a healthy happy nation to live in. The children of those who are at present alienated by economic and social policies are already locked out -doomed to poverty.

Choice runs out when your money does. Poverty, homelessness, joblessness, crime, illiteracy, ill health, domestic and random violence, addiction as nauseam, will cost government more in future. When there is less of everything for everyone except stress, taxes, anger and terror, what will the government of the day do for children then? What will business and retailers do when thousands of people are no longer consumers-no cash -no carry? In the US people have been sleeping under bridges for a decade. Is this what the government predicts for our jobless once they stop income support after six months? If not what is their solution?

The government has the financial means does it have the incentive and obligation to put this country back where it belongs - as a luck country in the top five in the world? Tax cuts and low interest rates do nothing for people on limited income or dependent on income support schemes. Unless sound policies are introduced everyone including those who feel economically safe today, will not be safe from a social terror that will escalate to all communities as a result of poverty? The future of our nation is in the hands of policy makers. Let them be empathetic to the needs of the unemployed. Invest and encourage education and retraining for life opportunities to give everyone an opportunity and vision for the future.

Mary Jenkins secretary UPU WA Inc. September 26, 2003