
The Parliament of the Commonwealth of Australia

Working for Australia's future:
Increasing participation in the
workforce

House of Representatives Standing Committee on Employment, Workplace
Relations and Workforce Participation

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DISSENTING REPORT

Mr Brendan O'Connor MP, Mr Tony Burke MP, Ms Annette Ellis MP, Ms Jill Hall MP

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Foreword

Since the early nineties Australia has experienced an unprecedented level of economic growth. The fourteen consecutive years of growth has been accompanied by record low interest rates, low inflation and low unemployment. It is a record which would be the envy of most developed nations. Despite such economic prosperity, the next twenty-five years will see Australia under increasing pressure as it competes in a freer global market environment – where competition will be aggressive not just for our natural resources, manufactured goods and services but importantly for our greatest asset – our labour force.

It has been stated to our committee that by 2030 Australia will have over 500 000 jobs with no one to fill them. A combination of skill shortages in key industry sectors, ageing of the workforce, falling fertility levels and the need for continuing productivity improvements will place even greater stress on Australia to lift its participation rate from its current 63.8 per cent.

The problems facing Australia due to the ageing of its population have been the cause of numerous studies and government reports. The most prominent is the Treasurer's *Inter-Generational Report* and the soon to be released Productivity Commission's report. The subsequent release of numerous state and federal government's policy initiatives in the last few months has meant that many of the initial findings of this inquiry and intended recommendations have either been superseded or partially addressed.

The committee heard a range of evidence on the causes of Australia's declining participation levels, its resulting consequences and suggested programs for its resolution.

Participation in the workforce is much more than a series of statistics about unemployment rates, or youth training and apprenticeships, or numbers of people receiving income support.

Participation in the workforce is about assisting Australians to be financially independent and secure in their futures, overcoming social isolation, providing

opportunities for all people to contribute, and valuing the contribution that they are able to make.

Increasing participation is also about the economic security of Australia – ensuring we have the skilled workers to take on new jobs and drive growth across the industries and services that are key to our future.

In times of low unemployment, there is more focus on assisting those people who face specific challenges to entering the workforce. This includes the long term unemployed, mature age workers, Aboriginal and Torres Strait Islander peoples, youth, some migrants entering Australia on humanitarian or family grounds, and people with a disability. We speak of these groups as ‘disadvantaged’ – but perhaps that is the easy way out. The responsibility for increasing participation for all people rests with all people – with governments, employers, businesses, unions, and community groups as well as those seeking work.

People are only disadvantaged if we do not take up the challenge of removing barriers and providing the incentives and assistance needed to encourage their participation. Any assistance must be targeted and delivered in an appropriate and accessible manner. Incentives need to be directed at people who seek work or are capable of entering the workforce. In addition, incentives are needed for employers and businesses to overcome barriers to employing certain groups, such as mature age workers or people with disability.

This report acknowledges the shared responsibilities and sets out clear initiatives to address some of the barriers faced. The report also sets out that change will require the cooperation of state and territory governments, businesses, unions and community groups.

Recommendations that highlight the need for more holistic approaches to labour market programs and intensive support assistance refer to the cooperation between agencies that is required to achieve this. Other recommendations consider ways to facilitate the transition into work for targeted groups who may have multiple caring responsibilities, or social or physical difficulties, or skill needs. There are also particular challenges to developing community supported approaches to increasing workforce participation in Aboriginal and Torres Strait Islander populations.

In many ways, this report is indicative of the type of cooperation and commitment that is required to achieve change and improve outcomes for disadvantaged groups. Workplace relations and industrial reform are always charged political issues with a diversity of views and approaches. It is a credit to the members of the Committee in the 40th and the 41st Parliament that all worked together in a unified manner to canvas views from as wide a range of witnesses as possible.

The task of preparing the report was complicated by the dissolution of the 40th Parliament and the formation of a new Committee in December 2004. The commitment of members to progressing this report through to tabling in a new Parliament indicates the importance of this issue to both government and non-government members.

There has been some dissent on party lines with three of the recommendations – those that deal with industrial reform and the disability support pension. However, there is unified support for the majority of the recommendations. Given the attention in recent months to workforce participation, the Committee anticipates a timely response from the Australian Government in taking up the initiatives put forward.

We all need to work at increasing participation in paid employment. When we work to achieve that, we are working for Australia.

Mr Phillip Barresi MP
Chair



Membership of the Committee

41st Parliament

Chair Mr Phillip Barresi MP

Deputy Chair Mr Brendan O'Connor MP

Members Mr Mark Baker MP Mr Stuart Henry MP
Mr Tony Burke MP Mrs Margaret May MP
Ms Annette Ellis MP Mr Don Randall MP
Ms Jill Hall MP Mr Ross Vasta MP

40th Parliament

Chair Mr Phillip Barresi MP (from 5 Nov 03)
Mrs De-Anne Kelly MP (to 4 Nov 03)

Deputy Chair Ms Maria Vamvakinou MP (Deputy Chair from 18 Feb 04)
Hon Arch Bevis MP (to 16 Feb 04)

Members Mr Phillip Barresi MP Mr Brendan O'Connor MP
(until 26 Sept 02) (from 16 Feb 04)
Mr Peter Dutton MP Ms Sophie Panopoulos MP
Ms Jill Hall MP Mr Don Randall MP (from 19 Aug 02)
Mr Luke Hartsuyker MP Mr Alby Schultz MP (until 19 Aug 02)
Mr Jim Lloyd MP Ms Maria Vamvakinou MP
(from 26 Sept 02) Mr Kim Wilkie MP

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41st Parliament

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Inquiry Secretary	Ms Alison Childs
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40th Parliament

Secretary	Mr Richard Selth
Inquiry Secretary	Ms Cheryl Scarlett
Research Officers	Ms Adriana Ballardin Ms Alison Childs
Administrative Officers	Mrs Gaye Milner Mr Peter Ratas



Terms of reference

Inquiry into Employment: increasing participation in paid work

On 25 June 2003 the Minister for Employment and Workplace Relations, the Hon Tony Abbott MP, asked the Committee to inquire into and report on employment issues in relation to increasing participation in paid work.

Terms of reference

The Committee is to inquire into and report on employment issues in both rural/regional and urban/outer suburban areas with particular reference to:

- measures that can be implemented to increase the level of participation in paid work in Australia; and
- how a balance of assistance, incentives and obligations can increase participation, for income support recipients.

With a focus on employment, there are also links to the working age payment reform process initiated with the joint release of the *Building a simpler system to help jobless families and individuals* consultation paper by the Minister for Family and Community Services and the Minister for Employment and Workplace Relations, and to the Demographic Change process which is addressing the issues raised in the *Intergenerational Report 2002-03* which was released by the Treasurer.



List of abbreviations

ABS	Australian Bureau of Statistics
AIMM	Australasian Institute of Mining and Metallurgy
ANTA	Australian National Training Authority
ACCI	Australian Chamber of Commerce and Industry
AIG	Australian Industry Group
ACOSS	Australian Council of Social Services
ACTU	Australian Council of Trade Unions
AIMS	Australian Institute of Medical Scientists
BCA	Blind Citizens Australia
BITES	Basic IT Enabling Skills
BSL	Brotherhood of St Laurence
COTA NSP	Council of the Ageing National Seniors Partnership
COTA NSW	Council of the Ageing (NSW)
CDEP	Community Development Employment Projects
CIS	Centre for Independent Studies
CofFEE	Centre of Full Employment and Equity
CRS	Commonwealth Rehabilitation Service Australia

DEA	Disability Employment Assistance
DEST	Department of Education, Science and Training
DEWR	Department of Employment and Workplace Relations
DIMIA	Department of Immigration and Multicultural and Indigenous Affairs
DSP	Disability Support Pension
EITC	Earned Income Tax Credit
EMAD	Employers Making a Difference
EMTR	Effective Marginal Tax Rate
FaCS	Department of Family and Community Services
FBT	Fringe Benefits Tax
GDP	Gross Domestic Product
HECS	Higher Education Contribution Scheme
IGR	Intergenerational Report, 2002-03, Budget Paper No. 5
ILM	Intermediate Labour Market
IPE	Institute for Private Enterprise
JSCM	Joint Standing Committee on Migration
NARGA	National Association of Retail Grocers of Australia
NATSEM	National Centre for Social and Economic Modelling
NEDA	National Ethnic Disability Alliance
NESB	Non-English Speaking Background
NFF	National Farmers Federation
OECD	Organisation for Economic Co-operation and Development
PDCA	Physical Disability Council of Australia

R&D	Research and Development
RCSA	Recruiting and Consulting Services Australia
RPL	Recognition of Prior Learning
RSB	Royal Society for the Blind South Australia
SCRGSP	Steering Committee for the Review of Government Service Provision
SDAEA	Shop Distributive and Allied Employees Association
STEP	Structured Training and Employment Projects
TAFE	Technical and Further Education
TFR	Total Fertility Rates
USU	United Services Union
VET	Vocational Education and Training
WEL WA	Women's Electoral Lobby (WA)
WEPAU	Women's Economic Policy Analysis Unit Curtin University of Technology
WWDA	Women With Disabilities in Australia



List of recommendations

Chapter 4 – Welfare and labour market reform

Recommendation 1 - Paragraph 4.18

The Committee recommends that the Australian Government pursue strategies for further award simplification by reducing the number of allowable matters and encouraging greater workplace customisation to suit industry and regional conditions.

Recommendation 2 - Paragraph 4.31

The Committee recommends that the Australian Government in cooperation with the State and Territory governments, industry, unions and educational bodies expand programs to maximise the uptake of apprenticeships in areas of skills shortages and ensure that the training is relevant to the apprentices, the businesses and the industry.

Recommendation 3 - Paragraph 4.32

The Committee recommends the Australian Government establish, as a priority, a dedicated cross-portfolio approach to develop a coordinated long-term strategy, including a series of newly funded programs and defined outcomes, to address national skills shortages.

Recommendation 4 - Paragraph 4.79

The Committee recommends that the Australian Government review the tax free threshold, taper rates, effective marginal tax rates and income test stacking to maximise incentives to move from income support payments to increased participation in paid work.

Chapter 5 - Targeted approaches

Recommendation 5 - Paragraph 5.3

The Committee recommends that the Australian Government undertake additional data collection to address deficiencies in definitions, which will provide a more comprehensive overview of current labour market and workforce participation characteristics.

Recommendation 6 - Paragraph 5.12

The Committee recommends that the Australian Government work with local, State and Territory governments, business, union and community organisations to invest in more holistic pilot projects which combine personal support, paid work experience, pre-vocational training, employment assistance, traineeships and post-placement support for the long-term unemployed.

Recommendation 7 - Paragraph 5.12

The Committee recommends that the Australian Government initiate further cross portfolio coordination to increase the provision of places in holistic type projects (through the Personal Support Program, Green Corps and traineeship programs) which assist the long-term unemployed enter the labour force, and in particular seek to address skills shortages in rural and regional areas.

Recommendation 8 - Paragraph 5.28

The Committee recommends that the Australian Government extend eligibility for Intensive Support assistance to mature age workers (who are not on income support and who meet the asset and income tests) who are assessed as being at risk of long-term unemployment.

Recommendation 9 - Paragraph 5.30

The Committee recommends that the Australian Government examine mechanisms to remove barriers to the employment of part-time and casual employment in industrial awards and other industrial arrangements.

Recommendation 10 - Paragraph 5.62

The Committee recommends that the Australian Government extend the Transition to Work Program to those who have been out of work for less than 2 years, where they are deemed to face special disadvantage and it is considered that this program could be beneficial to the facilitation of their return to paid work.

Recommendation 11 - Paragraph 5.71

The Committee recommends that the Australian Government report on opportunities for government and employers to expand and improve current childcare assistance provisions and facilities for After School Care and Holiday Care programs.

Recommendation 12 - Paragraph 5.72

The Committee recommends that the Australian Government introduce Fringe Benefits Tax exemption for childcare services.

Recommendation 13 - Paragraph 5.75

The Committee recommends that the Australian Government review strategies for encouraging increased participation for Parenting Payment recipients.

Recommendation 14 - Paragraph 5.113

The Committee recommends that the Australian Government introduce increased work capacity provisions in determining eligibility for those in receipt of the Disability Support Pension.

Recommendation 15 - Paragraph 5.125

The Committee recommends that the Australian Government extend the eligibility criteria of the Workplace Modification Scheme to provide support for people with an assessed disability to enter the paid workforce where their capacity to work would be significantly improved by workplace modification.

Recommendation 16 - Paragraph 5.125

The Committee recommends that the Australian Government conduct an awareness-raising program to promote the Workplace Modification Scheme to employers and employment services providers.

Recommendation 17 - Paragraph 5.126

The Committee recommends that the Australian Government ensure that all funded employment services are aware of the obligation to provide Auslan interpreters for deaf clients attending job interviews.

Recommendation 18 - Paragraph 5.127

The Committee recommends that the Australian Government extend eligibility for the Workplace Modification Scheme to part-time and casual positions.

Recommendation 19 - Paragraph 5.137

The Committee recommends that the Australian Government review the Jobs in Jeopardy program (to ensure improved access to this program), in terms of its use, eligibility criteria and effectiveness in assisting people with chronic illnesses to remain in employment.

Recommendation 20 - Paragraph 5.143

The Committee recommends that the Australian Government, in consultation with the peak disability agencies, recruitment services and business and industry organisations, develop guidelines on appropriate criteria and protocols for the recruitment of people with a disability.

Recommendation 21 - Paragraph 5.147

The Committee recommends that Commonwealth, State and Territory agencies improve the transition assistance available from education to work or to further training through more coordinated work placement support and the links between workplace coordinators and disability employment services.

Recommendation 22 - Paragraph 5.150

The Committee recommends that the Australian Government develop a consistent and standardised reporting system to:

- report on trend data for the number of people with a disability being employed by the Australian Public Service; and
- implement strategies to improve participation of people with disabilities in the Australian Public Service.

Recommendation 23 - Paragraph 5.184

The Committee recommends that the Australian Government, in cooperation with State and Territory Governments, industry, unions and educational bodies, review the Recognition of Prior Learning for school based and mature age apprenticeships programs to develop a standardised and coordinated approach that gives credit for and allows transference between all appropriate forms of curriculum and workplace training.