



Submission

to the

House of Representatives

**Standing Committee on Employment and
Workplace Relations**

**Inquiry into Employment: Increasing
Participation in Paid Work**

ACTU D No 27 of 2003

September 2003

1. The ACTU welcomes the opportunity to make this submission to the House of Representatives Standing Committee on Employment and Workplace Relations Inquiry into "Employment: Increasing participation in paid work".¹

2. The Terms of Reference for this Inquiry are:

To inquire into and report on employment issues in both rural/regional and urban and 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.

3. We note that the Committee has said that increasing participation involves an examination of both the proportion of the working age population who work and the average hours worked.²

4. This ACTU submission addresses each of these issues.

5. This ACTU submission argues for a broad policy approach to increasing participation in paid employment. Such a policy approach should address:

- Job creation, in the private sector through Research and Development and Industry Policy, and in the public sector to support services and growth;
- Ensuring a successful transition from education to work;
- Ensuring a successful transition from retrenchment to re-employment;
- Reducing long-term unemployment;
- Increasing the skills of the labour force through vocational education and training;
- Addressing issues of long working hours and work intensification;
- Providing for work and family balance;
- Introducing measures to assist older workers exercise choice about continued participation in paid employment;
- Increasing employment of Indigenous Australians;
- Increasing employment of workers with disability; and
- Recognising barriers to accessing employment and supporting access, including through appropriate tax/transfer arrangements.

¹ This submission draws on ACTU Congress 2003 Policies. ACTU Congress 2003 Policies are subject to absolute finalisation over the coming month; however amendments are not expected.

² House of Representatives Standing Committee on Employment and Workplace Relations Media Alert 30 June 2003

A. Proportion of the working age population who work

6. Labour force participation has increased over the last 20 years. In 1980 the labour force participation rate was 61.5 per cent. The figure for August 2003 is 63.5 per cent³. The proportion of the working age population employed has also increased over this period. In February 1980 the employment to population ratio was 57.3 per cent. The employment to population ratio for February 2003 was 60.3 per cent⁴.
7. In a report for the ACTU and Business Council of Australia *Age Can Work* Professor Sol Encel comments on labour force participation (LFPR) and employment trends in Australia over the last 20 years.

“For example, over the last 20 years to October 2002, the LFPR for those aged 45-54 increased by 10.0 percentage points to 80.9 per cent while over the same period, it rose by 7.7 percentage points to 50.8 per cent for those aged 55-64. By comparison, the LFPR for those aged 15-44 rose by only 3.1 percentage points to stand at 77.2 per cent in October 2002.” (page 14)

“As at October 2002, 78.1 per cent of mature-age people aged 45-54 were employed compared with 76.8 per cent of people aged 25-44. Even for the 45-64 cohort (many of whom will have retired), the proportion employed is still relatively high, at 65.8 per cent. Moreover, over the last two decades, employment has grown by 88.1 per cent for mature-age people while for those aged less than 45 it has grown by 31.3 per cent. Note, however, that the large increase in mature-age employment is due, at least in part, to mature-age workers taking their jobs and careers with them as they progress into an older age cohort, rather than because of newly created jobs.” (page 15)

8. Encel also finds:

“It should also be noted that ‘early retirement’ or more correctly ‘early exit’ from the work force has increased. Between 1960 and 1995, the average age of work force exit for both men and women fell by 4 years and 5 years for women. Much of this early exit is involuntary and the term ‘retirement’ can be very misleading.” (page 7)

³ ABS Catalogue No. 6202.0 August 1980 and 2003 Trend figures.

⁴ ABS Catalogue No. 6203.0 February 1980 and February 2003.

B. Average hours worked

9. Average hours worked in Australia have declined. However, this is due to the increase in the number of people in part-time employment.
10. OECD figures for 1979 to 2001 for average annual hours actually worked per person in employment show this decline⁵. In the recently released ILO Key Indicators of the Labour Market, published in September 2003, average annual hours worked per person for Australia are shown to have declined to 1824 in 2002⁶.

Average annual hours worked per person in employment

1979	1983	1990	1996	1997	1998	1999	2000	2001	2002
1904	1853	1866	1867	1861	1856	1860	1855	1837	1824

Source: OECD 1979 –2001, ILO: 2002

11. In their decision of July 2002 in the Working Hours Case a Full Bench of the Australian Industrial Relations Commission found in regard to hours of work:

"In summary, there has been a substantial reduction in the proportion of workers who work what have traditionally been regarded as "standard hours". This has not been accompanied by a compensating alteration in the proportion of workers who work a particular number of hours per week but by a generalised dispersion in the working hours. There has been a significant increase in part-time and casual employment as well as a significant increase in the number of employees working extended hours. We accept the ACTU's contention that there is a new model of working time arrangements. Using the statistical material available we accept that three distinct working time regimes can be identified:

- (1) standard hours (between 35 and 44 hours a week);*
- (2) part-time hours (less than 35 hours a week); and*
- (3) extended hours (more than 44 hours a week)."*⁷

12. In the 2003-04 Budget Paper No. 1: Budget Statement 4: Sustaining Growth in Australia's Living Standards it is noted:

"The fall in average hours worked in Australia almost entirely reflects the increase in the number of people in part-time employment, as average hours worked by part-time and full-time employees both increased over the past two decades. In the mid 1960s, around one in ten employees worked part-time. By the start of 2003, over one in four worked part-time. Australia's overall rate of part-time employment (27 per cent) is the second highest in the OECD, after the Netherlands (33 per cent)." (page 4-13)

⁵ OECD Employment Outlook June 2001 and July 2002 Statistical Annex Table F

⁶ ILO Press Release 1 September 2003 accessed at www.ilo.org

⁷ PR 072002 paragraph 73

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

13. A broad policy approach is needed to increase participation in paid employment in Australia.
14. Government has responsibility for stimulating job growth in the private sector through economic settings, Research and Development and Industry Policy. Equally there is a direct responsibility for job creation to support services and growth through the public sector. Government also has a role to play in the skilling of the workforce, the organisation of work, Indigenous employment and the employment of workers with disability.

Job creation measures

15. Job creation, in the private sector through Research and Development and Industry Policy, and in the public sector to support services and growth are vital factors when addressing the issue of measures to increase participation in paid employment.
16. Promoting new investment particularly in regions with high unemployment is a job creation measure which can contribute to increasing the level of participation in paid work in Australia. In this regard, ACTU Congress 2003 Industry, Jobs and Nation Building Policy states:

“Promoting New Investment Particularly in Regions with High Unemployment

25 *Australia remains one of the least successful countries in the OECD in securing new foreign direct investment in manufacturing or related value added services. In addition, business investment in R&D is well below international benchmarks, as is investment of venture capital in new, rapidly growing companies.*

26 *Developing strategies for encouraging investment should be a major priority, particularly in regions of high unemployment. The ACTU supports a development allowance being introduced to attract new investment to regions with double digit unemployment to promote growth and job creation.”*

17. Regional development needs a long term commitment. Unemployment has a direct correlation to the absence of such a growth strategy. As noted in a forthcoming Discussion Paper prepared for the Australian Manufacturing Workers Union (AMWU):

“The social consequences of allowing consumer debt finance rather than net exports and investment in innovation to become

the engine of growth for the Australian economy is reflected in the disadvantages confronting a number of manufacturing regions ...

...

Clearly an alternative growth strategy that has new Foreign Direct Investment in greenfield manufacturing capacity and encourages more manufacturing R&D and exports offers significant potential to improve the situation in the manufacturing regions.”⁸

Measures to reduce and prevent long-term unemployment

18. Long-term unemployment must be reduced and prevented.
19. In 2001 the ACTU joined with other concerned organisations in publishing the Pathways To Work: Preventing and Reducing Long Term Unemployment Report.⁹ As the Report noted:

“There are strong social and economic reasons to take determined action to reduce long-term unemployment. It is heavily concentrated. It cuts a broader swath among older workers and those who leave school early. It strikes economically disadvantaged regions ... much harder than others.

Moreover, if we fail to reduce long-term unemployment while the economic opportunity is there to do so, Australia will be confronted with higher levels of unemployment, and the associated social problems and loss of production and labour market efficiency, after the next economic downturn.”

20. As long term unemployment remains unacceptably high today, the Report and its recommendations remain apposite. The Pathways To Work Report proposed three priority areas for policy development, financial commitment, and action. The measures proposed include:
 1. Ensuring a successful transition from education to employment:
 - All young people should have access to education, training and employment opportunities delivering Year 12 completion or its equivalent.
 - Community Partnerships should be developed and strengthened at the regional level between industry, schools, health and Job

⁸ *The dynamics of growth in Australia’s “lend and spend” economy. What living on borrowed time and money means for the future of Australia’s manufacturing industry;* A discussion paper for The Australian Manufacturing Workers Union (AMWU); forthcoming.

⁹ *Pathways To Work: Preventing and Reducing Long-term Unemployment;* ACOSS, ACTU, Boston Consulting Group, BCA, CEDA, Dusseldorp Skills Fourm, Jobs Australia, and Youth Research Centre at University of Melbourne; January 2001

Network services, and other non-government agencies, to identify those who have left school early or are at risk of doing so, and to support them in securing employment or further education and training.

- Governments at all levels should cooperate to provide the necessary support.
2. Ensuring a successful transition from retrenchment to re-employment:
 - Timely and early intervention is critical for those facing termination of employment and who are at high risk of long-term unemployment. Businesses can assist their high-risk employees in the termination-back-to-work transition.
 - Employers, union and employment assistance and training providers should work together at the local and regional level to develop employment assistance packages for workers facing retrenchment who are at high risk of long-term unemployment.
 - The Government should support these efforts through a new employment assistance scheme.
 3. Reducing long term unemployment:
 - All long-term unemployed people should be offered substantial help to overcome barriers to employment, through Intensive Employment Assistance within the Job Network.
 - Employers and unions should work together with community organisations at the industry, enterprise and regional level to open up additional job and employment experience opportunities for long-term unemployed people.
 - The Government should substantially boost its investment in employment and training assistance.

Labour force skills measures

21. Increasing the skills of the labour force is a vital measure to increase participation in paid employment.
22. Vocational Education and Training is vital for increased participation in paid work of all age cohorts. Investment in vocational education and training is an essential part of the equation, particularly for rural and regional initiatives. ACTU Congress 2003 Vocational Education and Training Policy states:

“Improving the Links Between Training Effort and Investment to Skills Development and Employment Outcomes

6. Congress endorses the ACTU and its constituents to:
 - (a) seek agreement from State and Territory Governments to implement skills development projects that better complement regional development initiatives. Using

government funding and investment in training facilities, such initiatives should seek to leverage maximum investment from local employers and link training initiatives with skills development needs and employment outcomes within the local region;

- (b) seek agreement with State and Territory Governments, as well as industry parties to identify and implement appropriate training interventions within particular industries and regions, linking training initiatives to industry skill needs and fair and productive employment outcomes;*
- (c) seek agreement with ANTA-MINCO to adopt an integrated and coordinated approach to future labour market and skills forecasting in conjunction with industry parties which links specific training interventions within identified industries; and*
- (d) work with peak employer organisations through JITEC to adopt joint union-employer proposals for specific training interventions within specified industries.*

23. In this regard we note that Australia has too few:

- tradespersons
- teachers
- nurses
- aged care workers. And
- child care workers.

24. Increasing the skills of people who are disadvantaged within the labour market will facilitate their participation in paid work. ACTU Congress 2003 Vocational Education and Training Policy states:

Developing Strategies that Give Equitable Access to Vocational Education and Training Opportunities to the Non-Standard Workforce and for Disadvantaged People Within the Labour Market

9. Congress endorses the ACTU and its constituents to seek agreement:

- (a) through the ANTA funding agreement to prioritise and expand literacy programs for existing workers, including through funding arrangements to allow for cooperative ventures that promote basic literacy and numeracy training;*
- (b) for increased funding for more training places for young people, people with a disability and indigenous persons,*

particularly through access to higher level traineeships and apprenticeships;

- (c) from State and Territory Governments to introduce increased notice of potential redundancies by industry to government, unions and affected employees, as well as the provision of publicly funded retraining opportunities primarily through TAFE and employment search assistance; and*
- (d) from the Commonwealth, State and Territory Governments through promotional activities, public sector jobs, as well as joint ventures to promote the direct employment of both older workers and young people.*

Measures to address working hours and work intensification

- 25. Government has a role to play regarding the organisation of work. Organisation of work encompasses working hours and work intensification, and work and family balance.
- 26. Participation in paid employment does not just depend on the proportion of people who work but also on the average number of hours they work. Integral to this approach is the need to address working hours and work intensification. Included in this approach is the need to seek viable opportunities for increasing employment as an alternative to excessive hours of work. In this regard the ACTU Congress 2003 Working hours and Work Intensification Policy states:

“Long Working Hours

- 9. *Congress notes the outcome of the Working Hours Case enabling workers to refuse to work unreasonable overtime. To build on the achievement of this case the ACTU and unions will:*
 - (a) Further investigate the effect of the European Union Directive on Working Time, which provides for a limit of an average 48 hours per week, including overtime, in the European Union.*
 - (b) Strengthen the enforcement of payment for overtime, and seek paid overtime rights where they are currently inadequate.*
 - (c) Bargain to include the right to refuse overtime in agreements.*

- (d) *Utilise disputes procedures and arbitration where appropriate to deliver practical outcomes implementing the right to refuse unreasonable overtime.*
- (e) *Over a period of time seek to achieve through bargaining a maximum of 48 hours per week (inclusive of overtime), appropriately averaged, as a limit on the working week.*
- (f) *Draw upon health and safety standards in developing limits on overtime and working time.*
- (g) *Work to improve the pay and conditions of those workers depending on paid overtime which exceeds, in combination with ordinary hours, 48 hours per week.*
- (h) *At an appropriate time seek further limits on total hours of work and, in appropriate circumstances, a 48 hour cap on average total weekly hours of work in the award system and in legislation.*
- (i) *Seek viable opportunities for increased employment as an alternative to excessive hours of work.*
- (j) *Continue to bargain for reductions in the standard working week to 35 hours in appropriate industries.*
- (k) *Acknowledge that some occupations require employees to work long hours to meet training requirements for advancement or certification/registration and therefore such training issues need to be addressed in the same context any move to reduce hours worked.*

27. Consideration of the organisation of work should also address the need in a workplace to seek to distribute work more fairly between workers performing long hours and others seeking more work. In this regard the ACTU Congress 2003 Working hours and Work Intensification Policy states:

Work Intensification

- 10. *Long working hours are often the result of reduced staffing and increased workloads. Addressing staffing levels and workloads are therefore important components of a policy on working hours. The ACTU and unions will:*
 - (a) *Campaign and bargain for staffing levels in workplaces to be commensurate with work expectations.*

- (b) *Seek, where appropriate, to establish reasonable links between staffing levels and workloads, such as staff to client ratios.*
- (c) *Focus on the health and safety implications of unreasonable workloads.*
- (d) *Establish rights improving the ability of employees to balance work and family commitments.*
- (e) *Improve the standards of assessment for individual performance appraisals so that workers cannot be penalised for refusing overtime and unreasonable workloads.*
- (f) *Seek to distribute work, in a workplace, more fairly between workers performing long hours and others seeking more work.*

Insufficient and Unpredictable Hours of Work

- 11. *Congress recognises that employment growth has been strongest in part-time employment, with a relative decline in full-time jobs. Many part-time jobs however are casual and low paid, resulting in the need for many part-time workers to access greater and more predictable hours of work.*
- 12. *To achieve improvements in this area the ACTU and unions will:*
 - (a) *Improve enforcement of the rights of permanent part-time workers to the pro rata entitlements of full-time workers, including access to training and promotion.*
 - (b) *Seek the right for regular casual workers to transfer to permanent part-time or full-time work.*
 - (c) *Improve the regularity and predictability of working hours for casual, part-time and shift work employees.*
 - (d) *Extend regulation of working hours and casual and part-time employment to labour hire and contracting firms.*
 - (e) *Establish minimum and maximum ranges of hours per week/month for part-time employees.*
 - (f) *Improve the quality of part-time employment by generating real choices for employees such as the right to convert to part-time work in the lead up to retirement,*

in returning from maternity leave, or where required for family or personal reasons.”

28. The recently released International Labour Organisation (ILO) study Key Indicators of the Labour Market (September 2003) found that in 2002 Australians over the age of 15 worked an average of 1,824 hours per annum. This was greater than the average annual hours worked per person in 2002 in New Zealand, the US (1815), Japan (about the same level as the US), Spain, and Canada (1778), among others¹⁰.

Measures to facilitate work and family balance

29. Support for measures designed to facilitate work and family balance will provide incentives for increased participation in paid employment of workers with family responsibilities. The government has a role to play in this area. In this regard we note that ACTU Congress Work and Family Policy states:
 3. *“Congress believes that workplaces must provide employees with sufficiently flexible work practices which support the choices they make about family formation; the care of infants and young children; transitions out of and back into work for child-bearing and child-rearing; and the ongoing management of caring responsibilities.”*
30. Women’s labour force participation has grown dramatically. Twenty years ago, dual breadwinner families with both adults working full time were pretty rare - only 17% - while today more than a quarter of families with children have both couples working over 35 hours per week. Add to these families where one adult works part time and we know that 62% of couple families with dependants have both parents in the workforce.
31. Mothers are returning to work after child bearing in greater numbers and with younger children. In 1976 only a quarter of mothers returned to work before their youngest child turned 2, today over half of mothers of babies and toddlers are in paid work.
32. Fifteen percent of families are sole parent families, headed in the main by women (86%). Over half a million of these families have dependants, and in 2000 we saw for the first time that more than 50% of these parents were in the labour force. By the time the child is at secondary school, 70% of sole parents are at work.
33. However, a shift in workplace culture, as advocated in the ACTU Work and Family Policy, is critical to maintain and encourage this trend. Accommodation of the flexibilities required to achieve work and family balance will assist workers with family responsibilities to increase their participation in paid employment.

¹⁰ ILO Press Release 1 September 2003 Figures 2 and 3 at www.ilo.org

Measures to assist older workers exercise choice about continued participation in paid work

34. As the population and the workforce ages, the challenge of increasing the participation in paid employment of mature age workers is receiving much attention. Measures are needed which increase the choice older workers have about continuing to participate in paid employment.
35. The ACTU is participating in and contributing to the national debate and dialogue around this issue. In this regard, ACTU Congress 2003 Older Workers Policy states:
1. *"Congress affirms its commitment to actively oppose discrimination on the basis of age, including in relation to older workers and in doing so, recognises current legislation protecting early retirement for workers in hazardous industries.*
 2. *Congress supports in principle federal anti age discrimination legislation. Legislation of this kind has been introduced into the Parliament by the Federal Government.*
 3. *Congress supports the right of workers to retire at 55 or older, recognising that financial security is critical to the exercise of that choice, and that there is no justification for increasing either the preservation age for superannuation or the eligibility age or other conditions for receipt of the age pension.*
 4. *Congress also supports the right of workers to continue in employment after normal retiring age, including their ability to access transitional arrangements such as part-time work provided that this does not override existing specific industry legislation.*
 5. *Congress calls for a number of measures to assist older workers, including:*
 - (a) *an education campaign to change community attitudes to the abilities of older workers, particularly amongst employers;*
 - (b) *assistance to achieve financial security, including increased superannuation, improved redundancy payments and protection of employee entitlements;*
 - (c) *access to quality part-time work;*
 - (d) *access to guidance about retraining needs and options;*
 - (e) *access to vocational education; and*

(f) *access to improved employment services.*"

36. In July 2002, the ACTU made a submission to the House of Representatives Standing Committee on Ageing Inquiry into Long Term Strategies to address the Ageing of the Australian Population over the Next 40 Years. The main points from that submission are:

- The introduction of Federal Age Discrimination legislation should be accompanied by a public education campaign. A barrier felt by employees is that they are "considered too old by employers". Public education campaigns should be conducted to alert employers of the benefits of retaining or employing workers over 45.
- It is not acceptable to regard workers aged over 45 as having reached the end of their productive lives. The necessary policy adjustments need to be made which will facilitate their retention in, or their return to, productive paid employment. Mature age workers need education and training to enhance their employment chances.
- The ACTU supports life long learning so workers do not get to mature age and find that their skills are outdated.
- To promote skill enhancement for workers, including mature age workers, the ACTU believes there should be encouragement for larger workplaces to assess the skills and skill needs of workers to enhance productivity and efficiency and therefore the workers' job security.
- Local vocational education providers should be adequately funded to provide this skill enhancement to older workers.
- Innovations are needed to provide for a transition period from full-time employment to the point of retirement. It is important to consider the quality of the jobs for mature age workers.
- The preference of some older workers to choose more flexible hours must be recognised. There is a need to build the right of employees to choose their hours subject to the needs of the employer.
- Greater flexibility in the choice of work options is required. Reduced hours or part time work is an option. Part time work options must meet the needs of the employee as well as the employer. Such quality part time work requires monitoring to ensure genuineness.
- There is a need to consider changed working conditions for mature age workers. Work environments and work tasks could be adapted to the needs of mature age workers.
- A lot of workers are being made redundant in their middle and later years, statistics on the length of duration of unemployment shows

that those over 45 are disadvantaged. These workers face difficulties of transition in the labour market. Issues for these workers are ones of:

- How to assess what their needs might be?
- What guidance can be accessed?
- What supports are available?
- These are transition in the labour market issues and in this the government has a big role to play. There is a need to improve the employment and other services provided to mature age workers.
- Adequate redundancy payments are vitally important to help people who may be unemployed for a lengthy period in making a transition in the labour market. Australian Bureau of Statistics data reveals that workers aged over 45 face an average period of unemployment of 96 weeks compared with 38 weeks for under 45s.¹¹
- The ACTU believes that the Government should finance research into the views of mature age workers about what supports they need.
- The ACTU believes the Government should consider funding workplace vocational advisors who could provide guidance to employees about their retraining needs and options.
- Provision of services needs to have a regional and a local focus. It means working with local organisations – unions, skill providers, TAFEs, universities, JobNetwork providers, etc. For example, if a major redundancy occurs in an area the ACTU believes that it is more efficient to utilise these local facilities and organisations than to set up committees to deal with the situation.

Indigenous employment measures

37. All sections of the Australian society need to do more to promote and achieve greater employment of Indigenous Australians. In this regard the ACTU Congress 2003 Aboriginal and Torres Strait Islander Peoples Policy states:

22(b) The ACTU and Affiliates will:

- (i) lobby employer groups, including industry and governments, to ensure that appropriate Aboriginal and Torres Strait Islander employment targets are established, and that, where necessary, these targets build in effective education and training programs;*"

38. Governments could initiate an audit of Indigenous employment.

¹¹ ABS Retrenchment and Redundancy Cat 6266.0 May 2001

Measures to increase employment of workers with disability

39. Similarly the Australian community must work together to promote and achieve greater employment of people with disability. In this regard ACTU Congress 2003 Workers with Disability Policy states:

“8 Unions and employers need to work together to generate more open employment opportunities for people with disability.”

D. How a balance of assistance, incentives and obligations can increase participation, for income support recipients

40. Part of the broad policy approach advocated by the ACTU in this submission involves recognising barriers to accessing employment and supporting access, including through appropriate tax/transfer arrangements.
41. In this regard, the main points from the ACTU submission in response to the Federal Government Discussion Paper *Building a simpler system to help jobless families and individuals* are relevant. These points are:
- It is important that the government commit itself to positive steps to reduce growing inequality and poverty, and that these steps include:
 - (i) targeted assistance for low income individuals and families,
 - (ii) a more flexible framework of social security support for Australians moving in and out of work,
 - (iii) support for regular adjustment of award minimum wages.
 - The barriers to accessing low paid employment have to be recognised and supported by appropriate tax transfer arrangements. Current arrangements are inadequate. There is a need for a more streamlined system. This means that there is a need to address the question of access and rules that prevent people from taking up employment opportunities because of poverty traps. There is in particular a need to address the question of waiting periods which operate as a deterrent to accepting insecure forms of work and thus serve to increase reliance on the social security system.
 - Effective marginal tax rates are an important issue. It is perverse that the highest marginal tax rates are faced by low paid workers in transition between no-work or little-work and full-time work or near full-time work. The withdrawal tapers of 50 per cent and 70 per cent on Newstart allowances are excessive and should be reduced to "make work pay".
 - For many people who are combining employment with other activities and for those who are in transition to or from full-time jobs part time work is often appropriate.
 - These groups include people with demanding carer roles, students who are combining employment with education and training, and mature age workers who seek to phase in their retirement. Part

time work may also be appropriate for people with disability who may initially access employment at less than a full-time component.

- For all these groups in the transition to or from employment, there is a need to ease the income tests to address high effective marginal tax rates. The capacity to encourage more confident attachment to the workforce would be positive.
- Waiting periods which operate as a deterrent to accepting insecure forms of work and thus serve to increase reliance on the social security system should be reduced.
- The ACTU emphasises that part-time employment should not be accepted as sufficient for all job seekers. Disincentives are not the only reason people do not take up employment opportunities. Reform is not just about income support. More needs to be done to generate substantial quality full-time employment and to provide those at risk with education and training so they acquire the skills required to access full time employment with confidence.

42. In this regard ACTU Congress 2003 Tax Policy states:

"4. ... Congress calls for a thorough review of the tax system to be conducted ... In particular, Congress supports consideration of the following:

(c) addressing the sometimes prohibitive effective marginal tax rate at the intersection between social security and the tax system through changes to the taxation system in order to assist low income households, but not as a substitute for fair minimum wages;"

43. On this latter point we note that ACTU Congress 2003 Wages and Collective Bargaining Policy states:

"11. Congress resolves to continue to:

(c) Oppose the proposition that minimum wages be frozen or restrained on the basis of creating more jobs and containing inflation."