



Submission from

New South Wales Local Government, Clerical, Administrative,  
Energy, Airlines & Utilities Union

To

House of Representatives  
Standing Committee on Employment and Workplace Relations

**Inquiry into Employment: Increasing participation  
in paid work**

New South Wales Local Government, Clerical, Administrative,  
Energy, Airlines & Utilities Union

Trading as the  
United Services Union

Level 7, 321 Pitt St. Sydney NSW 2001

Ph: 02 92658211

2003

The United Services Union was formed following the merger between the Federated Municipal and Shire Council Employees Union of Australia, NSW Division and the Federated Clerks Union of Australia, NSW Branch. The new state union, the New South Wales Local Government , Clerical, Administrative, Energy, Airlines and Utilities Union, to be known as the 'United Services Union' is positioned to provide members with improved services and increased industrial strength.

# Submission on Increasing Employment Participation

## Introduction

The present enquiry into increasing participation in paid employment appears to be aimed at maintaining economic growth in the context of the impact of the ageing of the population. However, this submission argues the importance of quality of working life and not simply a continuation of current disparities. Australia wide, low quality jobs have been on the rise for the past few decades with increasing numbers of workers in low skilled, low paying jobs and more than a quarter of the workforce employed as casuals. The union notes a growing disenchantment about long working hours, wage inequality and difficulties in balancing work and family life.

Key issues addressed in this report include:

- Growing inequalities
- Need for more family friendly policies
- Positive role of immigration
- Negative impact of economic reform
- Employment loss in NSW local government

## Growing Inequalities

Within the two decades inequalities have widened in Australian society. The real costs of labour has fallen considerably over the past twenty years. At the same time, the national accounts show that total wages share of national income has been reduced from 60% to 54% as the profit share has risen from 17% to 24%.<sup>1</sup> There is a need to address the inequalities and restore fairness. Workplace standards affecting the quality of working life have deteriorated, evidenced by the following:

- Approximately nine out of every ten of the net new jobs created in the 1990's paid less than \$26,000 per year. Just under half paid less than \$15,000 per year.
- Since 1985 most of the job losses have been in industries and occupations with high levels of fulltime and permanent employment.
- Casual employment has increased from 16% to 27% between 1985 to 2002. This increasing trends has been shown to be an employer choice as 68% of casuals say they would prefer more predictable patterns of work.
- Part time employment increased from 18% of employees in 1984 to 29% in 2002.
- There has been a dramatic increase in the use of casuals, contractors and labour hire forms of employment as many employers discard obligations to employee rights

---

<sup>1</sup> Pusey, M., paper titled "Addressing Middle Australia's experience of economic reform", presented to ACIRRT, University of Sydney conference "the future of work: trends and challenges in the contemporary workplace" Sydney June 2003.

and entitlements. Between 1990 and 1995 workplaces using labour hire workers increased from 14% to 21%.

- Work intensity has increased over the past decade and there is evidence of increasing numbers of workers working longer hours with most overtime being unpaid.
- Long term unemployment remains a major problem as the average duration of unemployment reached 50 weeks in 2002<sup>2</sup>.

### **Need for more family friendly policies**

The Union is aware that strategies designed to encourage family friendly policies are important elements affecting participation in the workforce. For this reason some attention will be given to this issue.

Strategies which can assist employees achieve that work and family balance include the following:

- Flexible working hours
- Part time work
- Job sharing
- Career break schemes
- Working at home
- Family leave

Provision of adequate child care assists workers to balance work and family life. Nevertheless, changes to child care funding arrangements introduced by the Howard Commonwealth Government in recent years has had a negative impact on local government child care services, families and child care workers. The reductions in subsidies in 1996-97 and 1997-98 negatively affected an industry with little ability to cope with reduced funding<sup>3</sup>.

The strategy contributed to the loss of many female workers from local government child care centres. A study conducted by United Services Union showed that from the 1996 Census to the 2001 Census, the number of child care workers employed in NSW local government fell by 444 workers.<sup>4</sup> Despite subsequent pick up in the demand for child care services, centres are now having great difficulty attracting qualified staff.

The care of children is a community responsibility. The low status and standing of professional child care workers has contributed to a crisis in children's services. Childcare centres have difficulty attracting qualified staff. Child care centres throughout the nation report high staff turnover, difficulty in recruiting trained and qualified staff and the low morale among workers.

<sup>2</sup> Watson I, Buchanan J, Campbell, Briggs C, source material prepared for the ACTU for the The Future of Work, Trends and Challenges in Australian Workplaces Conference, Sydney 2003.

<sup>3</sup> For a Parliament of Australia, Senate Community Affairs Committee report on the issue see website [www.aph.gov.au/senate/committee/clac\\_ctte/childcare2](http://www.aph.gov.au/senate/committee/clac_ctte/childcare2)

<sup>4</sup> See Fraser, L., *Employment Information Series – Info Sheet No.1.1, NSW Local Government Employment*, published by the United Services Union, May 2003.

## Positive Role of Immigration

A range of studies have shown that immigration to Australia has a positive impact on business activity and the economy in general.

A relevant report on the subject was the 1998-99 Department of Immigration and Multicultural Affairs, report *Evaluation of the Contribution of Business Migrants in Australia*. This report noted for example, that permanent business migrants had a positive impact on the economy through the establishment of new business, generating jobs and improving Australian exports. The report noted that within 2 to 3 years of arrival in Australia -

- 86% were engaged in business, of which 77% were new business;
- Each new business employed an average of five people;
- 64% of business were involved in exports; and
- the average money invested in business was \$600,000.<sup>5</sup>

Australian society is multicultural and our workforce has a range of cultural and linguistic skills which provide the nation with flexibility to give us an advantage in communication, overseas trade and tourism. The United Services Union is aware of the valuable contribution made by workers from culturally diverse backgrounds and was successful in efforts to have a Community Language Allowance included in the NSW Local Government (State) Award.

Nevertheless discrimination and harassment remain a significant problem in the workplace and the wider community. Many people look to the Federal Government to uphold international conventions on human rights and to set standards in the community to encourage community harmony and equity.

## Negative impact of economic reform

Economic reform has resulted in a redistribution of income and resources from regional areas to the city, from the public sector to the private sector and from families to the market economy.<sup>6</sup> In particular, the down sizing of the public sector can result in the loss of a range of social commitments which operate in the realm of the public sector. This can have negative impacts on local communities as well as the broader Australian economy.

Over previous decades the public sector, as a major employer, has managed to set standards in a range of areas including the creation of more flexible, family friendly work environments and equal employment opportunity. Strategies have included such provisions as paid maternity leave and flexible working hours. However, with the reduced size of the public sector, these progressing provisions have been applied to a shrinking workforce as many private sector employers have been less incline to implement such policies and practices.

The Union notes that, soon after election into office in 1996, the Howard Government set about reducing the size of the public sector. Within a relatively short period of time over

---

<sup>5</sup> See Department of Immigration and Multicultural Affairs, 1998-99 Annual Report for summary of key issues on the Evaluation of the Contribution of Business Migrants in Australia, 1999, Canberra.

<sup>6</sup> Pusey M., loc. cit.

100,000 jobs were lost. Whilst some areas have since experienced increases, the overall number of employees in the Federal public sector have been dramatically reduced.<sup>7</sup> Indeed, the Australian Bureau of Statistics document *Australian Social Trends 1998* noted that between 1987 and 1997 there was a decline of 30% in the number of employees in the public sector.<sup>8</sup>

The commitment to reducing the size of the public sector through privatisation has had a particularly detrimental impact on the employment of mature age workers.

Various studies have shown that private companies are less likely to employ older workers. This has many social consequences as contractors turn their back on the employment of older workers who have families to support. Workers over 45 years of age are most vulnerable to the impact of privatisation through contracting out as contractors are more inclined to employ younger, fitter workers. An increasing pool of older workers bear the brunt on privatisation processes as they have difficulty finding alternative employment.

### **Employment loss in NSW local government**

Local government throughout Australia has undergone significant change over the past decade. The changes have been multi-dimensional impacting on a range of aspects, including its role, responsibilities, methods of operation and funding arrangements. In NSW many local government employees have experienced restructuring, amalgamation, competition and downsizing. It is not surprising that the term 'change fatigue' has some resonance in workplaces most affected.

In looking at workplace change in South Australia, researchers from the Centre for Labour Research at Adelaide University noted that:

"The local council workers in this study displayed a high degree of commitment to their communities. However, that commitment appeared to be under threat from tensions arising from contracting out of services by councils, new structures emerging from amalgamation agreements, new management methods, breakdowns in communication, and lack of consultation and job insecurity arising from a falling staffing levels and moves to temporary modes of employment in an industry long characterised by permanent employment."<sup>9</sup>

In NSW the threat of job loss and a general environment of uncertainty is of significant concern to local government workers. Australian Bureau of Statistics from Census data shows that there has been a reduction in employment numbers in NSW local government of 3,062 between the 1996 Census and the 2001 Census<sup>10</sup>.

---

<sup>7</sup> Note interview by Peter Lewis from Workers Online with National Secretary Adrian O'Connell of the Community and Public Sector Union [www.cpsu.org.au/site/editorial/1054511477\\_3126.2.html](http://www.cpsu.org.au/site/editorial/1054511477_3126.2.html).

<sup>8</sup> Australian Bureau of Statistics, *Australian Social Trends 1998, Work – Paid Work: Public sector employment*.

<sup>9</sup> L. Wilson, B Pocock, M Sexton, Centre for Labour Research at Adelaide University, "Workplace Change in South Australian Local Government: Doing More with Less" p 446, viewed 26/5/03  
<[www.sprc.unsw.edu.au/nspc2001/nspc/202001Papers/Wilson\\_Pocock\\_Sexton.pdf](http://www.sprc.unsw.edu.au/nspc2001/nspc/202001Papers/Wilson_Pocock_Sexton.pdf)>

<sup>10</sup> Fraser, L. United Services Union Employment Info Series Info Sheet No. 1.1, May 2003.

## **Conclusion**

Concern regarding a decline in the workforce provides an ideal opportunity for the federal government to review its policy direction. Immigration has provided a number of positive outcomes in generating employment and business opportunities. Nevertheless a range of measures are required to address growing inequalities in Australian society.

Such measures include the adoption of appropriate legislation and the creation of an environment which is more conducive to the elimination of discriminatory employment practices, implementation of more family friendly policies and the need for the re-regulation of the labour markets to halt the decline of quality jobs and reductions in worker entitlements.