



## Dissenting Report—Mr Brendan O'Connor MP, Mr Tony Burke MP, Ms Annette Ellis MP, Ms Jill Hall MP

All Committee members agreed that paid employment is important in reducing social disadvantage and improving living standards, but dissenting members have disagreed in a number of areas.

Although the majority of recommendations were supported unanimously, three of the twenty-three recommendations attracted opposition.

The dissenting members of the Committee considered it essential to explain why three recommendations were not acceptable.

Further, the dissenting members have proposed additional paragraphs and recommendations that were not acceptable to the majority sitting on the Committee.

### **Reasons for Opposing Recommendations:**

Recommendations 1, 9 and 14 are opposed by dissenting Committee members.

#### **Employment Conditions**

##### **Recommendation 1:**

**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.**

The dissenting members consider the above recommendation to be contrary to the evidence received. On no occasion had evidence supported the assertion that reducing allowable matters in federal awards would have any bearing upon improving participation in the paid workforce.

On the contrary, the Committee was provided with evidence that suggested that improving award provisions would assist balancing work and family. These provisions include paid parental leave or job sharing and would increase workforce participation. Further although submissions and witnesses asserted the need to deregulate current laws to improve workforce participation, there was no evidence to support that proposition.

Further, although there were assertions made by DEWR, the IPE, and ACCI that further deregulation was required, there was no evidence that illustrated why workplaces could not change for the better by having certified agreements rather than relying solely upon federal awards.

The dissenting members would therefore delete the Committee's Recommendation 1 and replace it with the following:

**Proposed Recommendation 1:**

**The committee recommends that the Australian Government pursue strategies to improve participation in the workforce by encouraging employment conditions that are mutually beneficial such as job sharing, permanent part-time work and paid parental leave.**

## Casual and part-time employment

### Recommendation 9

**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.**

The dissenting members oppose Recommendation 9 above for a variety of reasons. The bulk of the evidence provided to the Committee establishes that the growth of casual and part time jobs at the expense of permanent full time employment has been considerable.

The Committee received comprehensive evidence about the growth of casual and part-time employment and the effects of this growth over the last 20 years. Employer bodies generally considered this increase in the level of casual and part-time employment as a proportion of the paid workforce to be a benefit and thought further deregulation was required. The Employer bodies tended to use the word "flexibility" as a positive trend. In addition the evidence provided suggested that so-called flexibility referred to what was primarily beneficial for the employers and not necessarily what was good for employees or what would be mutually beneficial. Compelling evidence was provided that led dissenting members to conclude that casual and part-time work was rife in certain industries

and occupations and was not the preferred form of employment for many employees.

Paragraph 2.56 of the Report explains that casual employment in 2003 had reached 27.6 percent of total employment. Since 1988 the proportion of total employment that involves casual employment has grown by an alarming 50 percent.

Paragraph 2.58 explains that Australia's level of casual employment is one of the highest amongst all OECD countries.

Furthermore, the evidence provided to the Committee also highlighted that part-time work had grown. Although part-time work was the choice of some employees many others were seeking further work.

Paragraph 2.64 contains evidence that the growth of part-time and casual jobs was not evenly distributed across all occupations, but occurred primarily in low paid employment. The dissenting members consider this inequity to compound the existing economic and social disadvantage experienced by employees in low paid employment. Other evidence found in Paragraphs 2.65 to 2.69 illustrated other problems associated with casual and part-time work such as lack of training, inability to save, inability to secure a home loan and difficulties balancing responsibilities of work and family.

Although dissenting members consider that there will always be a place for casual and part-time employment we do not agree that the growth in both employment areas has always been beneficial to many workers and their families.

Consequently the dissenting members were disappointed that the Committee sought to endorse a recommendation that was inconsistent with the evidence received.

The dissenting members therefore cannot support recommendation 9 and instead propose:

#### **Proposed Recommendation 9:**

**The Committee recommends that the Australian Government undertake a comprehensive study on the growth of casual and part-time employment and the social and economic effects of such growth. Such a study should identify the impact upon industries, occupations, gender and age groups. Further the study should identify the adverse social impact of this employment trend upon employees and their families and develop strategies to provide more secure employment wherever possible, thereby encouraging greater workforce participation.**

## Disability Support Pension

### Recommendation 14

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

The dissenting Committee members note that while the Job Network Disability Support Pension pilot has shown some promise in assisting people on the DSP to gain employment, there are areas which require greater investigation before any long term conclusions can be made. Specific concerns include:

- The fact that the pilot participants were self-selecting and the fact that inconsistent methods were used to advertise the program<sup>1</sup> may have provided an unrepresentative participant population. This potential bias is reflected in the participants' age breakdown. The participants included in this study appear to include more people in the younger age brackets than the general DSP Population<sup>2</sup>.
- The timing of the pilot does not give an adequate indication of the long-term effectiveness of the program.

Even if the participant samples used in the Job Network Disability Support Pension pilot are assumed to be representative of the DSP population and the results are indicative of long term outcomes for the participants, the results do not support an argument in favour of changing the DSP eligibility requirements:

- Approximately 30 per cent of people who initially met with a provider were filtered out because of ineligibility, unsuitability or a reluctance to participate.<sup>3</sup> Of the 788 people who were "engaged" by the pilot, 74 exited before commencing Intensive Support customised assistance and a further 88 exited during the program. At the end of September 2004 only 583 or 51.59% of the 1130 people who originally met with the providers were still in assistance or had been placed. 239 people (21.15% of those originally met) had been placed in either employment

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<sup>1</sup> *Committee Hansard*, 17 February 2005, p. 6 (Carters, DEWR)

<sup>2</sup> [http://www.jobable.gov.au/home/DSP\\_Pilot\\_Interim\\_Evaluation.asp](http://www.jobable.gov.au/home/DSP_Pilot_Interim_Evaluation.asp)

<sup>3</sup> [http://www.jobable.gov.au/home/DSP\\_Pilot\\_Interim\\_Evaluation.asp](http://www.jobable.gov.au/home/DSP_Pilot_Interim_Evaluation.asp)

or education and 344 (30.44% of those originally met) were still in need of assistance.

- Less than half of the pilot participants and less than a quarter of DSP recipients who initially met the providers were successfully placed in employment or education<sup>4</sup>. If this sample is representative then more than half of the DSP population could be penalised by the proposed changes to the DSP eligibility requirements despite their desire to look for work.

The cost of the DSP pilot was around \$1.3 million, or between \$1100 and \$1900 per participant, depending on how cost per participant is measured.<sup>5</sup> This is far more than is spent on an average jobseeker.

Despite greater funding, their apparent enthusiasm and younger demographics, less than half of the Job Network DSP pilot participants were placed in employment or education. Therefore, far greater levels of support will be needed, than is generally offered and than was offered by the pilot, to help more DSP recipients move into the workforce.

The Job Network Disability Support Pension pilot used Specialist Job Network Providers as opposed to the Open Employment Services<sup>6</sup>. A future pilot may generate more conclusive results if Open Employment Services are included in the program.

Amending the eligibility requirements for the Disability Support Pension could potentially place a greater burden on service providers such as Open Employment Services who are limited in the amount of support they can provide for DSP recipients by a financial cap<sup>7</sup>.

The dissenting members therefore cannot support recommendation 14 and instead propose:

#### **Proposed Recommendation 14**

**The Committee recommends that programs such as the pilot study be expanded and modified to:**

- **Include a more representative sample of the DSP recipient population;**

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<sup>4</sup> [http://www.jobable.gov.au/home/DSP\\_Pilot\\_Interim\\_Evaluation.asp](http://www.jobable.gov.au/home/DSP_Pilot_Interim_Evaluation.asp)

<sup>5</sup> Senate Estimates Hansard, Employment, Workplace Relations and Education Committee, 17 February 2005, pp 73-95.

<sup>6</sup> *Committee Hansard*, 17 February 2005, p. 10 (Carters, DEWR)

<sup>7</sup> *Committee Hansard*, 17 February 2005, p. 10 (Carters, DEWR)

- **Extend the timeline of the study to measure the long term success of participant placements;**
- **Measure the successful placement of different demographics and disability types to gauge what benefits are gained by different sub-groups within the DSP population.**
- **Include the Open Employment Services in the pilot to determine the effectiveness of different disability employment service providers.**

#### **Proposed Recommendation 14A**

**The Committee recommends that the eligibility requirements for the Disability Support Pension retain the 30 hour a week test for continuing inability to work.**

Mr Brendan O'Connor MP  
Deputy Chair

Mr Tony Burke MP

Ms Annette Ellis MP

Ms Jill Hall MP