

The Senate

Employment, Workplace Relations
and Education Legislation Committee

Workplace Relations Amendment (Protecting the
Low Paid) Bill 2003

June 2003

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Chapter One

Majority Report

1.1 This bill proposes the amendment of the *Workplace Relations Act 1996* (WR Act) to require the Australian Industrial Relations Commission to give primary consideration to the needs of the low paid, and to the employment prospects of the unemployed, when considering safety net adjustments to awards. The proposed amendments are also consistent with Government policy to have pay and working conditions determined wherever possible at the workplace level, leaving the Commission to look to the rights of the most vulnerable and needy employees. The bill specifically proposes that the Australian Industrial Relations Commission (the Commission) consider the following matters when adjusting the safety net:

- as a primary consideration, the needs of the low paid, including their need for employment;
- the employment prospects of the unemployed; and
- the capacity of employers to meet increased labour costs.

1.2 This bill reinforces the Government's stated determination to ensure that agreement making in the workplace offers the best hope of maintaining higher levels of sustained employment growth. While the federal workplace relations system long ago began the move to enterprise level agreements, there are remnants of the former centralised wages bargaining processes that, according to the Government, continue to frustrate policy which is aimed at maximizing employment. The Commission is already required under section 88B of the WR Act to have regard for the needs of the low paid when making adjustments to the wages safety net, but the Government believes this particular consideration to be in need of reinforcement. The Act when amended will make the needs of the low paid a primary consideration for the Commission.

The inquiry process

1.3 The bill was introduced to the House of Representatives on 13 February 2003 and the debate adjourned at second reading. The Senate referred the provisions of the bill to the committee on 19 March 2003 through the adoption of the Selection of Bills Committee Report No 3 of 2003, 19 March 2003, which set out the principal issues for consideration by the committee. These included:

- identification of those depending on the Safety Net Review and the effect of the bill on the material needs of those people;
- previous consideration of the issues raised by the bill by the Commission in Safety Net Review decisions;

- the probable effect of the legislation on the Commission's consideration of the Safety Net Review;
- examination of the provisions of the bill in the context of the debate about whether current Commission living wage processes are adequate;
- consideration of whether cost of living wage increases to employers is high and whether the disposable income benefits to low-income workers is low; and
- whether the bill is adequate without making the welfare/tax intersection less onerous.

1.4 While the bill is limited in its scope, the committee has not given full consideration to all of the issues suggested by the Selection of Bills Committee, some of which are highly complex. For instance, the matter of the welfare and tax intersection is a highly contentious policy area extending far beyond the scope of the relatively minor amendments proposed in this bill. The committee notes lengthy discussion and advocacy of policy changes in relation to these matters, in submissions from the Australian Industry Group and the Australian Chamber of Commerce and Industry, among others. While the views expressed in these submissions will be briefly noted, the committee majority sees its task as addressing the immediate substance of the amendments rather than making comment on policy changes which would require extensive policy review.

1.5 The committee received 23 submissions and conducted a public hearing in Canberra on 27 May 2003. In preparing this report the committee has drawn on evidence it received at that hearing and from the submissions received. Lists of submissions and witnesses are to be found in appendices to this report.

1.6 The tabling date for this report was originally set for 5 May 2003. The committee lodged an interim report out of session, advising the Senate of its need for more time. The Senate approved an extension of the tabling date to 19 June 2003.

Awards and the Safety Net

1.7 In fixing the award safety net, the Commission continues to maintain its historic role in influencing wages movements through the flow-on of its safety net review decisions. The committee majority notes claims that this role has significantly less relevance today than it did in the past, as only about 20 per cent of the workforce still relies on awards as their pay-setting method for wage increases. As will also be noted however, evidence to the committee demonstrates that the influence of safety net adjustments has a flow-on effect through those sectors of the workforce that are on either over award pay or pay rates negotiated through enterprise bargaining. The role of awards within the industrial framework has been simplified under the WR Act, which allows only a limited number of allowable award matters.

1.8 As noted earlier, the Commission is required to have regard to the low paid when adjusting the safety net. Since 1997 the Commission has based its judgments on three characteristics which it has identified as constituting a workable definition of low-paid workers: where wages are not prescribed in workplace or enterprise

agreements; where award classifications are toward the lower end of the award structure; and, where either no over award payments, or only small over award payments are being received.¹ Nothing in the amendments proposed would prevent the Commission from continuing to use this definition.²

1.9 Evidence to the committee on the significance of the award safety net was, not surprisingly, divided along clear lines. In broad terms, the ACTU and individual unions, and state governments argued that awards were essential to protect the most vulnerable employees, an increasing proportion of whom are employed part-time or as casuals. They argued in favour of award relativities as providing some recognition for skills and some semblance of a basis for a career structure. The ACTU argued that awards underpinned enterprise agreements through the operation of the ‘no disadvantage’ test.³ In several submissions, for instance from the Association of Professional Engineers, Scientists and Managers Australia (APESMA), there was comment to the effect that small business employers (and their employees) would continue to rely on the administrative convenience of awards in preference to enterprise agreements.

1.10 Employer organizations, that is, ACCI and the AiGroup, accepted the need for awards but in a more limited way. Both organizations expressed concerns about the flow-on effects of award decisions. ACCI regarded awards as an out-of-date method of putting a floor under wages, and AiGroup, as will be shown later, was more explicit in espousing a ‘social wage’ solution to the problem of addressing the needs of the low paid.

1.11 Government policy has made clear the fundamental distinction to be made between enterprise and workplace agreements on the one hand, and award adjustments on the other. Safety net reviews of award wages have come to be regarded as processes for fixing minimum wages for the unskilled workforce engaged in low wage employment. There is no argument that this is a necessary measure to counter unscrupulous employment practices resulting in the exploitation of vulnerable employees. For other purposes, however, the Government argues that it is in other respects a very clumsy mechanism for setting the wages and conditions for the great majority of employees in most workplaces. As the Commonwealth has argued before the Commission, the safety net review process is not designed to reflect wage increases employees obtain through enterprise or individual agreement. When this occurs it has the effect of raising the floor on wages negotiated through those agreements.⁴ As a result it discourages bargaining and any improved productivity that could occur.

1 Australian Industrial Relations Commission, *Safety Net Review Wages 1997*, Section 7.6

2 Submission No.21, Department of Employment and Workplace Relations, p.5

3 Submission No.4, ACTU, p.3

4 *ibid.*, p.80

1.12 The committee majority notes that in many award-reliant industries there is only a small differential between the pay rates for workers on awards and those on collective agreements, often less than \$3 a week in favour of workers on agreements.⁵ Such a small differential is evidence that collective or enterprise agreements are vulnerable to the effects of increases in award judgements which take no account of local economic circumstances.

1.13 Evidence presented by the Commonwealth at the 2003 wage case hearings before the Commission argued that if employees in industries with lower productivity growth receive wage increases based on high aggregate productivity growth, then real unit costs in the low productivity industries will increase as a consequence. This is becoming evident in retail trade and in the cafe, restaurant and hotel industries. Yet it is also the case that workers in low productivity employment benefit from productivity growth in other industries. That is, workers in slow productivity growth industries, including those on awards, also benefit from the lower price rises resulting from efficiencies and competition in higher productivity industries. The committee majority notes the tendency for the more efficient sectors of the workforce to carry the less efficient. The importance of this legislation in attempting to address this imbalance focus on the needs of the low paid as a primary consideration in wage fixing arrangements becomes obvious in this context.⁶

1.14 References to the requirement for the Commission to consider the needs of the unemployed have attracted comment. Argument has focused on how best to deal with the fine divide between the unemployed and the marginally employed and unemployed. There appears to be some agreement that this fragile cohort can be taken as presenting a singular problem. The ACTU has argued that as the Commission has rejected argument from the Commonwealth in its 1999 decision by rejecting the inclusion of the unemployed from award consideration, that should be the end to it. The ACTU argues that the effect of this amendment, if passed, would restrict the scope of the Commission to make adequate minimum awards. The committee majority takes the view that this provision does not fetter the discretion of the Commission, but serves to guide the Commission in its deliberations.

Wages policy and its economic context

1.15 The committee has always considered the evolution of workplace relations policy to lie within the broader context of economic growth and its employment outcomes. Submissions to this inquiry from all sources have highlighted this concern. The WR Act reflects this policy perspective, and amendments which have been proposed over the past four years have been intended to strengthen the nexus between wages policy and employment outcomes. This bill is the Government's latest legislative attempt to further refine this policy.

5 *ibid.*

6 Safety Net Review – Wages 2002-03, Commonwealth Submission, pp.79-81

1.16 The committee notes that evidence presented by the Commonwealth at the 2003 wage case hearings before the Commission argued that if employees in industries with lower productivity growth receive wage increases based on high aggregate productivity growth, then real unit costs in the low productivity industries will increase as a consequence. This, it was claimed, is becoming evident in the retail trade and in the cafe, restaurant and hotel industries. Yet it is also the case that workers in low productivity employment benefit from productivity growth in other industries. That is, workers in slow productivity growth industries, including those on awards, also benefit from the lower price rises resulting from efficiencies and competition in higher productivity industries. The argument continued that there was a tendency for the more efficient sectors of the workforce to carry the less efficient. The Government's stress on the importance of this legislation in attempting to address this imbalance to focus on the needs of the low paid as a primary consideration in wage fixing arrangements becomes obvious in this context.⁷

1.17 In evidence to the 2003 hearings of the Commission, the Commonwealth argued that, to the extent that wage increases result in job losses and lowers the rate of economic growth, the effect is most pronounced among the less skilled and less productive workers. Less skilled workers were more likely to be laid off because they are easier to replace than higher skilled workers. Employers were also reluctant to take on less skilled workers and job seekers in the face of rising wages costs through across the board award increases, thereby weakening the employment prospects of this group.⁸

1.18 It was argued that employees on awards are highly represented in this vulnerable group. They are generally concentrated in lower skilled occupations compared to those who are paid under enterprise agreements. The committee notes the 2003 Commonwealth submission to the Commission arguing that low skilled workers are less likely to achieve sizeable productivity improvements and were therefore more likely to be affected by reductions in employment. ABS survey data indicates that 75 per cent of employees under awards are covered by four broad occupation groups of intermediate and elementary skill levels, and that 73 per cent of these workers had only school level qualifications or less. In contrast, only 10 per cent of higher skilled occupations are covered by awards, and of these, 78 per cent have post-school qualifications.⁹

1.19 The committee received significant evidence from the Australian Industry Group (AiGroup) concerning the effect of the 2002 Safety Net increases on wages generally. The AiGroup submission states:

While it is true that the 2002 decision did not prove to be a wrecking-ball flattening the entire economy, the survey evidence demonstrates that the

7 Safety Net Review – Wages 2002-03, Commonwealth Submission, pp.79-81

8 *ibid.*, p.25

9 *ibid.*

negative effects on employment arising from an increase in the order of \$18.00 per week are not limited to those sectors in which a high proportion of workers are award reliant. Other sectors, such as the metal and engineering industry, where there is a relatively high incidence of both formal and informal over award arrangements are likely to suffer negative economic impacts, including lower employment levels.¹⁰

1.20 The submission continues, in regard to flow-on effects:

The indirect costs of any safety net adjustment are not limited. The evidence demonstrates that there is a substantial flow-on of the increases to non-award and over award employees. Safety net increases are not limited to the 25 per cent of the workforce who are exclusively dependent on award rates of pay. The level of adjustment sets a minimum benchmark for movements across the entire Australian wages system.¹¹

1.21 The flow-on effects surveyed by the AiGroup indicated that a high proportion of employers passed the \$18 Safety Net increase on to over award employees, even though there was no obligation on them to do so. Employers reported lower profits and reductions in full-time positions, and an increasing number of casual positions created. Small employers were particularly affected.¹²

1.22 Data from the AiGroup also showed that 484 company responses to the 2002 safety net decision indicate that 10.1 per cent would reduce the number of overall employee numbers as a result of the high flow-on wages of that year. This evidence may also be cited in relation to claims made in submissions from the ACTU and from the Queensland Government that there is no data to show that award increases had any effect on employment.

1.23 The submission from the Australian Chamber of Commerce and Industry (ACCI) also identified the problems faced by small business in relation to safety net increases. Most small businesses are reliant on awards. They stand outside the agreement making process. Although most small businesses are owner operated, many are also labour intensive businesses. As the submission states, they are the employers who can help make serious inroads into the levels of unemployment if labour is not priced out of the market.

1.24 Evidence presented by the Commonwealth at the 2003 wage case hearings before the Commission argued that if employees in industries with lower productivity growth receive wage increases based on high aggregate productivity growth, then real unit costs in the low productivity industries will increase as a consequence. This is becoming evident in retail trade and in the cafe, restaurant and hotel industries. Yet it is also the case that workers in low productivity employment benefit from productivity growth in other industries. That is, workers in slow productivity growth industries,

10 Submission No.18, AiGroup, p.35

11 *ibid.*

12 *ibid.*, annexure 3, pp.38-39

including those on awards, also benefit from the lower price rises resulting from efficiencies and competition in higher productivity industries. The committee majority notes the tendency for the more efficient sectors of the workforce to carry the less efficient. The importance of this legislation in attempting to address this imbalance focus on the needs of the low paid as a primary consideration in wage fixing arrangements becomes obvious in this context.¹³

1.25 Restaurant and Catering Australia has submitted that contrary to the effect desired by the Commission, the 2002 Safety Net decision has meant a drop in average weekly earnings for restaurant employees. It argues that the tight margins experienced in this growth industry require that a fixed amount be expended on wages. The effect, therefore, of hourly rate increases (in 2002 accompanied by a 1 per cent increase in superannuation) is that the number of hours and number of employees is cut. The result has been that employment has been reduced in cafes and restaurants as well as in hotels.¹⁴The submission points out:

The very high number of employees receiving penalty rate payments means that the likely flow on of safety net adjustments, to workers in the restaurant industry is greater than the all industry average. Restaurant & Catering Australia contends that a flow on of 2.7% (one estimate of the projected overall impact of the 2002 decision) was around 3.85% for restaurants, in hourly rate terms.¹⁵

1.26 ACCI also argues that the Commission is at risk of being unwittingly led to conclude that higher increases can be awarded than would otherwise be the case simply because the aggregate cost effect of the claim across the economy reduces year on year as the percentage of award governed employers and employees decline. That award percentage is now about 20.4 per cent of employees, down from about 67 per cent ten years ago. The ACTU has argued that this means that (in 2003) a claim for a \$24.60 rise on 20 per cent of the workforce has less effect in aggregate terms than it would if it was paid to 67 per cent of the workforce. ACCI argues, as does AiGroup, that this masks the real effect on the employers who are the subject to the orders made. The committee majority recognizes that it is the effect on those employers that ought to be taken into consideration by the Commission. It notes ACCI's concern that the ACTU can cloak an irresponsible claim in a mask of semi respectability by relying on the traditional aggregate impact analysis.¹⁶

The welfare – tax intersection

1.27 One of the terms of reference invites consideration of whether this bill is adequate without making the welfare – tax intersection less onerous. The committee majority's view on the relevance of this issue to this inquiry has already been stated.

13 Safety Net Review – Wages 2002-03, Commonwealth Submission, pp.79-81

14 Submission No 1, Australian Restaurants and Catering, p.6

15 *ibid.*

16 Submission No 11, ACCI, pp.4-5

Nonetheless, comment has been made in submissions from AACI and the AiGroup, both of which argue that in determining safety net adjustments, the Commission should take into account recent developments in the broader social safety net. The AiGroup was pleased to note that the Commission had formally accepted its arguments that if significant changes are made to the taxation and social security systems to provide a more equitable outcome for the low paid, as well as employers, then the commission may be prepared to take such changes into account in future safety net review proceedings.¹⁷

1.28 This issue of wages policy being considered in isolation from taxation policy was taken up with the ACTU at the inquiry hearings. The evidence suggests that there is little or no research done to assist the Commission, or any parties making submissions, toward an understanding of the tax-welfare effects of any particular wage rate movement on different kinds of small business or particular demographics of employees.¹⁸ The committee majority notes the comment made by the Minister, Hon Tony Abbott MP, on taxation and welfare issues in relation to wages policy, but cannot offer any comment on the status of any policy debate on this issue. It does note however, the evidence that informed comment needs to be assisted by better targeted research.

1.29 In relation to taxation, the committee notes the view from the ACTU that the effective marginal tax rate is a problem, and should be addressed by changes to the tax and transfer systems, including by tax credits. The ACTU argues that this is an issue for government tax policy, not the industrial relations system or the Commission.¹⁹

1.30 The Australian Industry Group has also argued that the income support system is a much more effective way of delivering assistance to low income households than the wages system. AiGroup makes the point that income support, unlike wage increases flowing from the safety net wages cases, provide levels of assistance appropriate to the particular circumstances of the household. Most such benefits are not taxed.²⁰ The committee majority notes the strength of this argument in any debate on issues which may arise from this bill, but extend far beyond the scope of this inquiry. It also notes ACCI's comments on the obsolescence of award wage arrangements,²¹ but cautions against any tendency to see issues of low pay and employment conveniently relegated to the social welfare solutions category.

Maintaining the independence of the Commission

1.31 The committee majority considers it necessary to report its concern about representations it has received that the bill threatens the independence of the

17 Submission No.18, Australian Industry Group (AiGroup), p.5

18 See Hansard transcript, 27 May 2003, pp3-5

19 Submission No.4, ACTU, p.16

20 Submission No.18, AiGroup, pp.15-16

21 Submission No.10, ACCI, p.26

Commission. This view was put to the committee in a number of submissions, and at the public hearing, principally by the representative of the Shop, Distributive and Allied Employees' Association. It has been alleged that the principal amendment will have the effect of fettering the discretion of the Commission to weigh the arguments made before it in relation to the primary role of awards and the relative importance of the needs of the low paid.

1.32 The submission from the Department of Employment and Workplace Relations clarifies this issue:

The bill will not impose impermissible limitations of the discretion of the Commission, nor prevent it from making awards that are appropriate for the resolution of an industrial dispute. The amendments to the object of the WR Act and the object of Part VI will not alter the general framework under which the Commission performs its dispute prevention and settlement function. Placing more importance on one factor than others does not place an impermissible fetter on the discretion of the Commission. Nor does including additional matters for the Commission to have regard to, such as the employment prospects of the unemployed and the capacity of employers to meet additional labour costs.²²

1.33 In evidence to the committee the Department of Employment and Workplace Relations reiterated its advice that the bill conformed to the constitutional restraints that exist to protect the independence of the judicial system. The committee majority is assured that the bill does nothing more than provide guidance to the Commission in matters to which it should direct its attention in considering safety net award claims. As the department's Chief Counsel explained:

The government would hope that it would have some impact on the way in which the Commission might exercise its discretion, but it would not direct the Commission to a particular outcome or mandate a particular outcome. It would be conceivable that, if the Commission found in all the circumstances that the same outcome was justified, having taken into account the new elements that it is required to take into account, it could do so.²³

1.34 The committee majority does not view this proposed legislation as reflecting in any way on the competence of the Commission to exercise its judgement and its responsibilities, but as a principal party to the Commission's deliberations, and having responsibility to implement its workplace relations policy, the Government feels itself obliged to legislate as it has done. The Government has made the point that Commission adherence to the amended guidelines would strengthen its role in encouraging bargaining at the workplace level.²⁴

22 Submission No.21, DEWR, p.4

23 Mr James Smythe, *Hansard*, p.39

24 Hon Tony Abbott MP, *Hansard* (House of Representatives), 13 February 2003

Other matters

1.35 The committee's scrutiny of the evidence to the inquiry was necessarily selective, but it covered a range of issues which need to be referred to briefly. These have to do with criticisms of the proposed legislation offered in several of the submissions.

1.36 The committee majority notes that a consistent theme in arguments from the ACTU and from individual unions to this and other amending bills has been the view that all proposed amendments to the WR Act have the purpose of reducing employment rights and entitlements and to restrict the bargaining power of those workers who belong to well organized unions.²⁵ To the extent that this true, it applies only in those circumstances where there is demonstrable evidence that the conduct of workplace relations has seen the public interest – including the interests of employees – jeopardized by practices which the Government believes are out of date.

1.37 Comment has also been made about the necessity of introducing such a bill when under current provisions the Commission is obliged to consider the employment prospects of the low paid when making their decisions. The ACTU has argued that the Commission may be compelled to abandon its practice of awarding increases to all classifications, thereby hastening the move toward the irrelevance of the award system.²⁶ The committee majority believes that such an outcome would require far more radical legislation than is proposed here.

Conclusion

1.38 The committee majority accepts that what is proposed in this bill will serve to refine the role of the awards safety net as an essential mechanism to protect the low paid.²⁷ The overall increase in the minimum safety wage has now increased by 19 per cent or \$82 since 1996.²⁸ However, the Commission has extended those award wage increases significantly beyond the role of a safety net for the low paid. In fact, in its 2001 decision it awarded higher wage increases for higher wage earners than the low paid.²⁹ The Commission's 2003 safety net decision reversed this with low paid workers receiving a slightly higher increase.³⁰

1.39 The link between wage fixation and macro-economic goals has been evident in the long history of argument in industrial courts in both Commonwealth and state

25 Submission No.4, ACTU, p.1

26 Submission No.4, ACTU, p.10

27 EM, p.2

28 Submission No.11, ACCI, p.3

29 Safety Net Review, Wages Decision, May 20201, Print PR002001, [140], ACCI, p.10

30 Submission No.21, DEWR, p.6

jurisdictions. The WR Act requires the Commission to consider such economic factors as levels of productivity and inflation; employment, including youth employment; and the needs of the low paid.³¹ This bill strengthens this requirement by reinforcing guidelines in regard to employer's capacity to pay and the employment needs of the low paid.

1.40 Those businesses which rely upon awards are primarily small and medium businesses and many of them are labour intensive businesses in the growing service sectors of the economy, or are not for profit sector businesses. ACCI point out that employer-on-costs for these businesses can conservatively be estimated at 20 per cent. Increases to awards rates affect overtime and penalty rates, annual leave loadings, payroll tax, superannuation, and workers compensation.³²

1.41 Most academic studies of wages policies and practices in OECD countries have found a significant negative relationship between minimum wage increases and employment. This is confirmed by the majority of Australian studies on aggregate real wage growth and employment. The government believes unemployed people should be given the best possible opportunity to secure employment. Therefore, the most compelling reason for placing greater emphasis on the capacity of employers to afford safety net adjustments is the devastating consequences of neglecting to do so.³³

1.42 The productivity growth rate of the economy over the last six years has been less than the nominal change to the federal minimum wage. By granting arbitrary wage increases without negotiated productivity improvements, businesses are exposed to greater economic vulnerability, leading to reduced employment opportunities through business closures, job shedding and adverse effects on hiring and investment decisions.³⁴

1.43 The committee majority fully supports the continued efforts of the Government to improve the employment prospects and job security of the low paid and unemployed.

1.44 The committee majority **recommends** that this bill be passed without amendment.

John Tierney
Chair

31 WR Act, Section Part VI Division 1, 88B

32 Submission No.11, ACCI, pp. 5-6

33 Submission No.21, DEWR pp.6-7

34 *ibid.*

Chapter Two

Opposition Senators' Report

2.1 In a little over five years this committee has dealt with nineteen amending bills to the *Workplace Relations Act 1996* (WR Act). These bills have represented, *in toto*, attempts by the Government to weaken the entitlements of employees across the whole spectrum of their relationship with employers, all of this in the name of 'balance'. These matters include the conditions of the termination of employment, the rights of association and representation, the rights to collective bargaining, and now the rights to have award wages matters fairly dealt with by the Australian Industrial Relations Commission (the Commission).

2.2 With this bill the Government proposes to legislate to direct the Commission to give prime consideration to matters which, if followed by the Commission, will weaken the wages safety net which is relied on by a high proportion of low paid workers to maintain their standard of living. Opposition senators note from the Explanatory Memorandum that in drafting the bill, the Government consulted the Australian Chamber of Commerce and Industry (ACCI), but makes no mention of consulting other parties, including the ACTU which represents a high proportion of people who are claimed to be the beneficiaries of the amendment.

2.3 Opposition reports have previously noted the provocative mistitling of government workplace relations amendment bills. The purpose of this bill is at odds with the idea of protecting the low paid. It will, as the Government intends, have the effect of forcing down the wages of the already lowly paid, creating a sub-class of barely subsistence employees to undertake work which is traditionally undervalued. There is an assumption made that if wages could be reduced, a fair proportion of the currently unemployed would be absorbed into this employed sub-class, presumably on the basis that with a reduced payroll, employers could then find something productive for them to do. Labor senators know of no empirical research which supports this proposition, and none has been provided by the government.

The economy and the safety net award

2.4 At each year's safety net review the Commission is presented with two conflicting views on the likely effect of an increase in minimum award rates. The Commonwealth, usually supported by employer organisations, argues that there will be a substantial effect on the capacity of business to increase the rate of employment, particularly in that sector of industry which employs unskilled or low-skilled labour. This sector of the workforce is intended to be the main beneficiary of award adjustments.

2.5 The ACTU and state governments (currently all Labor governments) have over recent times argued that effects on employment will be negligible. Labor senators point out, as does the ACTU submission to the Commission each year that there is no

empirical evidence to show a connection between safety net increases and the employment of low-skilled employees. They note the comment from the Queensland government submission in regard to the Commonwealth's arguments before the Commission:

In responding, the federal government have tended to steer clear of the empirical data, instead relying more on simplistic interpretations of economic theory – an increase in price (wages), by definition, leads to a fall in demand (employment). This might be partly because it is difficult to isolate the effects of past safety net increases from all the other factors that impact on employment, but it is more likely because their position is not strongly supported by the empirical evidence.¹

2.6 The committee notes that the Commission has consistently found little evidence that past safety net increases have had any substantial effect on employment generally or on specific groups such as the low-skilled. As the Commission reported in its 2003 safety net decision:

a general assessment of employment data, including a focus on more heavily award reliant sectors, does not disclose any basis to suggest that past safety net adjustments have had significant adverse employment effects;

there remains a continuing controversy amongst academics and researchers as to the employment effects of minimum wage improvements. As noted by the UK Low Pay Commission the research undertaken often produces conflicting results;

the various studies do not establish that moderate increases in the minimum wage, of themselves, will diminish aggregate employment effects;

whilst there is no automatic relationship between the two, real wage growth can adversely affect aggregate employment growth. The extent of such effect will depend upon the prevailing economic circumstances and the extent of the real wage movement;

in respect of the modelling undertaken by the Commonwealth, consideration of the net impact on aggregate wages costs of the ACTU's claim, absent a monetary policy response through increased interest rates, suggests a very limited impact of the ACTU's claim on economic growth and employment;

the ACCI, AiG and Retail Motor Industry surveys provide no data as to the magnitude of employment effects and the results in relation to the proportion of firms reporting particular effects should be treated with some caution. The surveys do, however, support a conclusion that there are employment effects of safety net increases with respect to some employers, such effects operate differentially and adverse employment effects are more

¹ Submission no: 23, Queensland Government, pp.7-8

evident in relation to those employers directly affected by safety net increases.²

2.7 As the Queensland Government submission noted in relation to this decision, the Commission had quite correctly come to the conclusion that after six previous safety net decisions, any adverse employment effects of those decisions should be revealing themselves in the employment data. No such effects could be demonstrated.³

Low wage jobs in the economy

2.8 The Government rhetoric which accompanies the thinking behind this legislation tells us that any job is better than no job. The Minister's disparaging remarks about 'job snobs' indicates a common populist attitude. But even if there was a discernable response to a lower wage structure, there could be no way of ensuring that an expanded demand for labour would be met from the pool of chronically unemployed. Emerging job vacancies over the past decade have been taken up to a disproportionate extent by women. It is likely that any further job creation would be taken advantage of by people outside the current labour force. Opposition senators believe that the problem which the Government is attempting to solve in a quite inappropriate manner through this amending legislation is well described in the submission from the Queensland Government:

The problem ... is not a lack of demand in the labour market by employers because wages are too high, but rather a mismatch between the jobs that are on offer and the 'employability' of those currently unemployed. Instead of instituting policies that have the effect of lowering minimum wages (relative to the current policy settings), the federal government should be considering implementing labour market programs that enhance the skills of the long-term unemployed to better match them to the existing pool of available jobs. It should also be encouraging the development of a wage structure and associated jobs that encourages skills formation, rather than jobs that are low skilled and low paid with little prospect of career development.⁴

2.9 The ACTU submission poses the question of whether the low paid have low incomes. In doing so it takes issue with the assumption that low paid workers are likely to improve their employment or career prospects over time.⁵ This applies only to a small minority of award workers. For the great majority, the nature of the work provides no such opportunity. Even if it were so, such employees still require sufficient income to provide for the essentials of life. In a recently published paper, Professor Sue Richardson suggests many low wage jobs are not only insecure, they do not lead to better paid jobs into the future and that many individuals get caught in a

² 2003 Safety Net Review decision, Print PR002003, para 175

³ Submission no.23, Queensland Government, p.8

⁴ *ibid.*, p.1

⁵ Submission no.4, ACTU, p.14

cycle of low wage job, spells of unemployment and spells out of the labour force.⁶ Professor Richardson finds that wage mobility amongst low wage workers is particularly low in the UK and the US, which is reflected in the broader conclusion that countries with greater earnings inequality have lower levels of upward wage mobility.

2.10 The Queensland Government reports the adverse psychological effect of having a ‘bad’ job. Studies have concluded that those in jobs which are low paid and offer few prospects for career improvement are no better off psychologically than those who are unemployed. This applies even to school leavers attempting to enter the workforce for the first time. The Queensland Government submission adds further evidence of the Governments futile attempts to legislate to galvanise the chronic unemployed into a burst of initiative:

Even if the Government’s amendments to the Act were to lead to an expansion of low paid jobs and those jobs were taken up by people currently unemployed rather than outside the labour force (recalling that both points are highly contentious), there is still a substantial number of negative consequences that could flow from such an outcome (aside from the low wage – unemployment cycle discussed above). One obvious detrimental effect could be a lowering of productivity growth as firms substitute low wage, low skill jobs for higher wage, better skilled, more capital-intensive jobs. Such a situation did occur in Australia during the early period of the Accord between the then Labor federal government and the ACTU (1985-1990). As award rates of pay were allowed to decline in real terms in favour of improvements in the social wage, the level of labour productivity growth in Australia declined to very low average levels.⁷

2.11 Opposition senators conclude that the attitude that any job is better than no job is likely to be prevalent among middle class policy makers who have never experienced unemployment, and who, with their high level of educational attainment, have not found themselves in depressed economic and social conditions.

Award dependency

2.12 The Government has consistently argued that its amendments to the WR Act have been directed at increasing the extent of enterprise bargaining and individual workplace agreements between employees and workers. While it is not stated explicitly in either the Minister’s speeches or in the Explanatory Memorandum to the bill, there is an obvious implication that the dependence on awards is far too prevalent. One reason for the Government’s increasing enthusiasm for unitary industrial relations regime is the eventual prospect of eliminating state awards, along with the federal award for all but a tiny minority of employees.

⁶ Sue Richardson ‘Low Wage Jobs & Pathways to Better Outcomes’, National Institute of Labour Studies, Monograph Series No 7, 2002, Flinders University, Adelaide.

⁷ Submission no.23, Queensland Government, p.12

2.13 There appears to be little support for the Government's campaign against awards. The current award system is too convenient for either employees or employers to dispense with. The Association of Professional Engineers, Scientists and Managers, Australia (APESMA) has argued that the repositioning of the award safety net toward the low paid is unlikely to give, as intended, incentives for other award dependent employees to engage in bargaining. APESMA argues that driving down pay and other entitlements will neither instill satisfaction nor inspire commitment from employees.

The advantage of an award system has been that it has provided an even playing field on which employers could compete on the basis of quality of service or product rather than on the basis of cutting the pay and entitlements of their employees.⁸

2.14 The difficulty here lies with the limited ability of many employees and employers to engage in a bargaining process. As the Australian Catholic Commission for Employment Relations has pointed out in its submission, workers with little or no bargaining power within the labour market are more likely to be paid a low level of wages. They are unlikely to have the industrial position, ability or skills to bargain directly with their employer and will therefore rely on the award system to determine their rate of pay.

2.15 Labor senators note that enterprise bargaining is much more likely to be a feature of wage fixing agreements by large industries than among small and medium sizes businesses. Research conducted by ACIRRT for the Victorian Industrial Relations Taskforce 2000 shows that only 6 per cent of small businesses have certified agreements compared to 19 per cent of larger businesses. Labor senators support the comments made in the Victorian Government submission on this point.

2.16 This disparity has nothing to do with the impact of national wage rises. Small business owners lack the resources and expertise that often need to be devoted to the enterprise bargaining process. Small business owners are also less likely to belong to an employer group that can provide that expertise. In particular, a business owner who has one or two employees is unlikely to devote time and money to negotiating and certifying an agreement that will in all probability result in marginal increases in efficiency. The relative cost and returns for a business with 50 employees are of course different.⁹

2.17 In summary, there is every reason to believe that the Government's assumptions about enterprise and workplace bargaining are based more upon wishful thinking and rigorously 'pure' free labour market theories than any sober reflection on what employees and employers, in particular circumstances, find most convenient. The functions of the Commission are several, but most important to award dependent employers and employees is considered and impartial judgements. Not only award

⁸ Submission no.19, APESMA, p.19

⁹ Submission no.22, Victorian Government, p.20

employers, but enterprise bargaining parties too, are also heavily reliant on the safety net award judgements. The apparatus of the Commission is established for the public good, and while it maintains the confidence of all parties to awards and industrial agreements there is likely to be a high degree of workplace harmony.

Maintaining the independence of the Commission

2.18 Labor senators accept assurances given by the Department of Employment and Workplace Relations that the bill will not impose impermissible limitations on the discretion of the Commission, nor prevent it from making awards that are appropriate for the resolution of an industrial dispute. Nonetheless, there are some observations that may be made in relation to this question.

2.19 The committee majority considers it necessary to report its concern about representations it has received that the bill threatens the independence of the Commission. This view was put to the committee in a number of submissions, and at the public hearing, principally by the representative of the Shop, Distributive and Allied Employees' Association. It has been alleged that the principal amendment will have the effect of fettering the discretion of the Commission to weigh the arguments made before it in relation to the primary role of awards and the relative importance of the needs of the low paid.

The welfare-tax intersection

2.20 Labor senators note the arguments of the majority report in regard to this term of reference and agree with comments made to the effect that this issue, while relevant in some ways to the bill before the committee, poses policy questions that extend far beyond the scope of this inquiry.

2.21 The ACTU has acknowledged in its submission that its campaigns in favour of wage increases are criticized on the grounds that the net gain to employers for such rises are small because of tax scales.¹⁰ Labor senators agree that there is a problem in this regard and that effective marginal tax rates may have to be addressed. This a matter for the Government to address, along with the question of ensuring that the social welfare system delivers effective services to those entitled to them.

2.22 It should be stressed, however, that the issue of the 'social wage' should not be confused with the entitlement for all employees to receive a respectable 'living wage' irrespective of tax credits and welfare safety nets. The existence of the latter does not absolve employers from the responsibility of paying fair wages. Labor senators would be opposed, in any future debate on this topic, to the notion that wages for the low paid be subsidized by the taxpayer.

¹⁰ Submission no.4, ACTU, p.16

Conclusion

2.23 Labor senators on the committee can see nothing in this bill which recommends its passage. In summary:

- the bill is unnecessary as the Commission is obliged under the current Act to consider the effect of award decisions on the low paid and the unemployed, and to attempt to strengthen this provision is either to fetter the discretion of the Commission, which the Government denies it intends to do, or to provide unnecessary direction;
- the bill indicates scant regard for the importance of the safety net award system in maintaining a basic living standard for the low paid; and
- the bill makes the erroneous assumption that the undermining of the award system will force all workers and their employees into enterprise or workplace agreements.

2.24 The Labor senators on the committee **recommend** that this bill not be passed by the Senate.

Senator George Campbell
Deputy Chair

Chapter Three

Australian Democrats' Report

3.1 The *Workplace Relations Amendment (Protecting the Low Paid) Bill 2003* proposes to narrow the adjustment of the award safety net to focus on the lowest paid. The Bill aims to compel the AIRC to give even greater consideration to:

- the needs of the low paid, including their need for employment;
- the employment prospects of the unemployed; and
- the capacity of employers to meet increased labour costs.

3.2 The *Workplace Relations Act 1996* specifies the matters that may be included in over 2 000 federal awards. Presently only about 20 per cent of employees rely on awards as their pay-setting method.

3.3 The wage and salary rates in those awards constitute the federal award safety net, designed to provide employees with fair minimum wages and conditions, and it is the responsibility of the Australian Industrial Relations Commission (AIRC) to maintain that safety net.

3.4 In maintaining that safety net, Section 88B(2) specifies that the AIRC must have regard to:

- the need to provide fair minimum standards for employees in the context of living standards generally prevailing in the Australian community;
- economic factors, including levels of productivity and inflation, and the desirability of attaining a high level of employment; and
- when adjusting the safety net, the needs of the low paid.

3.5 Nevertheless, it is clear that the Government prefers agreement making to safety net adjustments to awards as a more sensitive market mechanism than the method the AIRC employs through setting wage fixing principles under the Act.

3.6 The Government also has a desire to reduce costs to employers by lowering the annual increase awarded by the AIRC.

3.7 Section 88B(2)(b) already factors in a consideration of economic and employment considerations. The Bill goes further. The Bill sits on the premise that the employment prospects of the unemployed are likely to be detrimentally affected by upward adjustments of minimum award wages. With that in mind they wish to constrain potential increases.

3.8 This sets up a potential clash between the Act's requirement that living standards of low wage earners be maintained or improved, and a desire to reduce the cost of labour to maximise employment. If you concentrate on the former the fear is that you can price labour too high, and if you concentrate on the latter the fear is it will be a race to the bottom and poverty.

3.9 The Democrats contend that because Section 88B(2)(a) requires adjustments in the context of living standards, living standards have to be assessed against what a set wage or salary can actually buy, and how that compares with living standards for the community generally, and whether they are improving (or not).

3.10 Such an assessment can only be made in relation to disposable income (not gross income), and to assess net income requires an understanding of the effects of tax and welfare offsets or imposts at particular income, familial, or demographic levels.

3.11 The Democrats have a very clear view. Maintaining or raising living standards of low income wage earners, or moving the unemployed from welfare into work can not be addressed principally through the AIRC and cannot be done in isolation of tax and welfare policy.

3.12 While the Committee Majority report chose not to address this issue at any length, it has to be addressed. The present system has clear limitations.

3.13 Analysis of previous safety net decisions shows that the AIRC have taken into account economic factors, including productivity and employment, and the needs of the low paid.

3.14 Our concern, along with others¹, is that the AIRC will be compelled to accept arguments it has previously rejected as without merit.

3.15 The AIRC do consider the employment prospects of the unemployed when making their decision. The following statement demonstrates this:

We accept that, whilst there is no automatic relationship between the two, real wage growth can adversely affect aggregate employment growth. The extent of such effect will depend upon the prevailing economic circumstances and the extent of the real wage movement. The limited addition to aggregate wages cost associated with our decision will not have a significant real wages effect.²

3.16 The ACTU submission contends there has been no increase in unemployment, in fact to the contrary, as a result of Safety Net increases in 1998, 1999, 2000, 2001, and 2002.

¹ Submission 4 - ACTU pg 3

² *Safety Net Review-Wages April 1999* PR00 2002 para 108

3.17 The argument to reform the intersection between welfare and tax is in our view a more compelling case for improving prospects for the unemployed.

3.18 In their submission to the Committee, the ACTU showed that the 'gap between the wage rates of award based employees and the community generally, as measured by Average Weekly Ordinary Time Earnings (AWOTE) has been increasing. The Minimum Wage (or C14, the lowest wage rate payable under any award) has fallen below 50 per cent of AWOTE for the first time'.³

3.19 I was surprised that one of the arguments put forward against safety net increases across the board, was because a high proportion of employers passed the Safety Net increase on to over award employees, even though there was no obligation on them to do so. It is surely not the fault of the AIRC that employers choose to do this, and perhaps it is more indicative that employers recognise the need for wage increases that are not tied to productivity to keep up with inflation and the cost of living.

3.20 The Democrats also see the merit of a Safety Net in providing a 'no disadvantage test' as a base for enterprise bargaining.

3.21 The Government argues that by implementing the Bill and compelling the AIRC to adhere to new guidelines that this will somehow strengthen its role in encouraging bargaining at the workplace level. There is no evidence to suggest that this would in fact be true, except for the Minister and the Department saying it would be true.

3.22 Agreement making has significantly increased in the seven years of the Act's operation, and there is no evidence its growth has been limited in the manner suggested.

3.23 One of the telling and valid criticisms of the present system has been that it delivers relatively low net income increases to wage earners and relatively high gross costs to employers.⁴

3.24 The Democrats are sympathetic to the argument that the safety net raises the costs of a wide range of wage-related expenses for employers including over-time payments, worker's compensation, leave loadings, penalty rates and superannuation. Evidence suggests that this can have adverse effects on employers either resulting in increased cost to consumers or adversely affecting hiring and investment decisions.

3.25 The Democrats have noted this in several media releases and speeches in relation to minimum wage increases. While the capacity to pay could be more easily absorbed by large business the Democrats are aware that it is predominately small and

³ Submission 4 - ACTU

⁴ Hansard EWRE p. 17 Tuesday 27 May 2003

medium sized business that rely upon awards and are thereby more adversely affected by increase wage costs.

3.26 In my view there is not enough evidence to demonstrate that the amendments proposed in this Bill will address the legitimate needs of all stakeholders – employees who deserve a better deal, and employers who are squeezed by rising gross costs.

3.27 While the Democrats support an industrial relations system that maximises and balances productivity, jobs growth and job security while ensuring fair and just pay conditions and treatment; and have always supported the AIRC decisions to increase the wage safety net⁵; we believe that the living standard/employment/costs conundrum can be more effectively dealt with through the tax and welfare system.

3.28 The difficulty with living wage increases is that they increase gross wages and add-on costs. For every living wage increase, an employer is faced with additional superannuation contributions, workers compensation payments and payroll tax.

3.29 The employee does not obtain any immediate benefit from the employer's on-costs. Instead they are also hit with additional taxes, so, in cash terms, they may only end up with half of the real cost to the employer.

3.30 For example, for the employer, the \$17 increase is compounded by higher payroll taxes, superannuation, worker's compensation and other on-costs, resulting in an effective \$20-\$23 increase. For the employee, for every dollar increase in wages, some low-income workers can lose 70 cents in welfare benefits. Since they have to pay 17 cents income tax as well, this can lead to a crippling effective tax rate of 87 cents in the dollar. So in their hands \$17 may drop to \$8-\$10 net.

3.31 In the words of the submission by the Australian Industry Group, 'Safety net wage increases represent a very poor 'bang for the buck' as far as low-income households are concerned'.⁶

3.32 What we need is a system that increases the real disposable income of low-income employees.

3.33 The key area for the Government to be examining is that the minimum living standards are met. Then, that income tests should reward and acknowledge attempts to work and supplement income while, at the same time being withdrawn at an appropriate rate as employment income increases.

3.34 This is a complex issue. At the moment there are 17 different pensions and income support allowances. They all have different income and asset tests. In some cases this is appropriate, as the Government should be providing more incentive for someone on the Newstart Allowance to get off welfare than an age pensioner.

⁵ As has the Government, interestingly. Hansard EWRE p.3, Tuesday 27 May 2003

⁶ AiGroup, Submission 18, page 6

3.35 The unemployed are in the unfortunate position of knowing that if they get a job they may be only 13 cents in the dollar better off for their efforts. After taking into account transport costs, clothing and additional food expense, they may not be better off at all.

3.36 The National Centre for Social and Economic Modelling analysis shows that 22 percent of the poorer half of the nation face effective marginal tax rates of more than 60 percent. One in two working sole parents face similarly high effective marginal tax rates. These statistics do not include the high number of people that are discouraged from entering the workforce by these poverty traps.

3.37 Minister Abbott amongst others has been rightly arguing for more effort to be made in this policy field. While the most disadvantaged in our society have a right to be given income support and treated with respect, our tax and welfare systems need to be changed to interact in a way that encourages welfare to work.

3.38 The Democrats are open-minded about considering various options to achieve change.

3.39 One of the promising areas of reform is the concept of the tax credit. Tax credits are designed to soften the impact of high effective tax rates. We know that there are plenty of savings that can be made. These could be redirected into a tax credit system to reduce the high effective tax rates faced by a person moving from welfare to work.

3.40 It is clearly important to consider tax credits as one way of getting more people off welfare. It is hard to believe that Prime Minister Howard has apparently already ruled out this idea, without suggesting an alternative.

3.41 Proposals have been around for many years⁷. One of the so called 'five economists' developed a specific tax credit proposal providing a tax-free tax credit of the order of 2 per cent that would be paid as a supplement to the wage of low wage earners in low-income families as an alternative to a living wage increase.

3.42 There is an urgent and large need for a system that delivers significant real disposable income increases for the low and lower paid, to encourage a move from welfare to work, to deliver social equity, and to give working people a chance to get off the floor and aspire to upward mobility for their families.

3.43 The Democrats both before and after the budget explained how the only fair way to provide equal tax cuts to all Australians was to increase the tax-free threshold. This would go a small way to reducing the high effective marginal tax rates.

⁷ Refer Keating and Lambert, "Improving incentive: Changing the interface of tax and social security", *Australian Economic Review*, 281-289.

3.44 Our preference for the recent tax cut would have been to increase the tax-free threshold to \$7,500. The Government's tax cuts kept the tax-free threshold at \$6,000.

3.45 If, as a society, we decide that to have a bare minimum existence costs, for example \$12,000, why do our tax rules operate to tax income earned over \$6,000?

3.46 This approach has been supported by Dr Kayoko Tsumori⁸. He states that all participants in Australia's welfare debate, while disagreeing on many issues, agree on at least three key objectives.

3.47 First, any policy aiming to alleviate poverty 'should encourage employers to create jobs and jobless people to take them' because the major cause of poverty is joblessness'.

3.48 Second, those in fulltime work 'should take home enough money at the end of the week to keep their heads above water'.

3.49 Thirdly, it is important to create and maintain work incentives.

3.50 As stated above, a minimum wage increase may have an adverse impact on employment. The earnings credit may have an adverse effect on work incentives⁹. Dr Tsumori states that:

There is a third option that meet all three criteria: to raise the personal tax-free threshold. The current tax-free threshold is set at \$6,000 per annum. By raising it from such a low level, returns to paid work would be boosted. As a result, it would become less necessary to raise minimum wages or to supplement wages with the earnings credit. A higher tax-free threshold would neither affect job creation nor perpetuate poverty. Most of all, it would not discourage personal initiative.

3.51 While some academics have debated the various merits of earned tax credits and increasing thresholds, the Government has been impotent. Content to allow the high effective tax rates to apply to low-income earners moving off welfare, but remaining sympathetic to the interests of those on over \$60 000 faced with a marginal tax rate of 48.5%. As ACOSS¹⁰ has recently pointed out, their average tax rate, for someone earning \$60 000 is only 26%.

3.52 By contrast a low wage earner on \$20 000 has an average tax rate of 12%. So if you triple your income your average tax rate only doubles.

⁸ 'Is the Earnings Credit the best way to cut dole queues? Centre for Independent Studies, 13 May 2003.

⁹ Peter Saunders, 'Threshold Issues for a Tax System that creates job', *The Australian Financial Review*, 17-21 April

¹⁰ ACOSS Info 347 – June 2003 Page 4.

3.53 The tax and welfare system is unbalanced – too heavy on lower income Australians and lighter on higher income Australians, particularly when you take into account the effect of Tax Expenditures.

3.54 It seems that while the Government attempts to cut tax for high-income earners by reducing capital gains tax and the superannuation surcharge, and providing private health insurance rebates, they are ignoring one of the most important issues facing our society.

3.55 Minister Abbott has himself come out in support of providing assistance to the low paid by addressing poverty traps through the taxation system as an alternative to wage increases.

3.56 Rather than initiate an inquiry to explore the prospects he is instead pursuing an industrial relations avenue that is flawed.

3.57 The Democrats do not believe the Bill is adequate to address the legitimate concerns of all stakeholders and call on the Government to instead focus their energies on reforming the tax and welfare system.

Senator Andrew Murray

Appendix 1

List of submissions

No.	Submission from:
1	Restaurant and Catering Australia
2	Transport Workers' Union of Australia (TWU)
3	Australian Liquor, Hospitality and Miscellaneous Workers' Union
4	Australian Council of Trade Unions (ACTU)
5	Student Association Inc, University of Tasmania
6	CPSU (PSU Branch)
7	Australian Nursing Federation
8	Australian Catholic Commission of Employment Relations (ACCER)
9	Australian Manufacturing Workers Union
10	NSW Department of Commerce
11	Australian Chamber of Commerce and Industry
12	Independent Education Union of Australia
13	National Farmers' Federation
14	Australian Hotels Association
15	National Council on Intellectual Disability
16	WA Department of Consumer and Employment Protection
17	Shop Distributive and Allied Employees' Association
18	Australian Industry Group (AiGroup)

No.	Submission from:
19	Association of Professional Engineers, Scientists and Managers Australia (APESMA)
20	National Tertiary Education Industry Union (NTEU)
21	Commonwealth Department of Employment and Workplace Relations
22	Victorian Government
23	Queensland Government

Appendix 2

Hearings and Witnesses

Canberra, Tuesday, 27 May 2003

Australian Council of Trade Unions

Ms Linda Rubinstein, Senior Industrial Officer

Australian Chamber of Commerce and Industry

Mr Peter Anderson, Director of Workplace Relations Policy

Dr Steven Kates, Chief Economist

Australian Liquor, Hospitality and Miscellaneous Workers Union

Mr Jeffrey Lawrence, National Secretary

Shop, Distributive and Allied Employees Association

Mr John Ryan, National Industrial Officer

National Farmers Federation

Miss Denita Harris, Policy Manager and Industrial Relations Advocate

Department of Employment and Workplace Relations

Mr James Smythe, Chief Counsel, Workplace Policy and Legal Group

Mr Rex Hoy, Group Manager, Workplace Relations Policy and Legal Group

Mr Ted Cole, Advocacy Team Leader

Ms Diane Merryfull, Assistant Secretary, Legal Policy Branch 2, Workplace Relations
Policy and Legal Group

Ms Sue Sadauskas, Assistant Secretary, Wages and Conditions Policy Branch,
Workplace Relations Policy and Legal Group

Mr Les Andrews, Wages Policy and Research Section

Appendix 3

Tabled Documents and Additional Information

Public Hearing – Canberra, Tuesday, 27 May 2003

Tabled documents:

Date:	From:
27 May 2003	Australian Chamber of Commerce and Industry Mr Peter Anderson: AIRC Safety Net Increases (1993-2003)
27 May 2003	Shop Distributive and Allied Employees' Association Mr John Ryan: Extracts from the Workplace Relations Act as proposed to be amended by the Workplace Relations (Protecting the Low Paid) Bill 2003

Answers to Questions on Notice

Date	From:
6 June 2003	Department of Employment and Workplace Relations (DEWR)
6 June 2003	Australian Chamber of Commerce and Industry (ACCI)

