

Submission

to

Senate Employment, Workplace Relations and Education
Legislation Committee

Inquiry into the Workplace Relations Amendment (WorkChoices) Bill 2005

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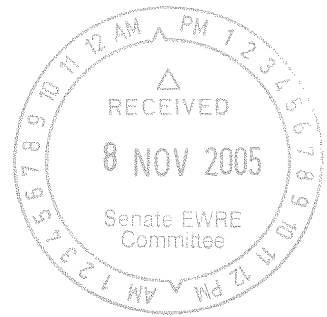
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Senate Inquiry - Workchoices



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8 November 2005

Secretary Senate Employment, Workplace Relations and Education Committee
Department of the Senate
Parliament House
Canberra
ACT 2600

Dear Senators

Please find attached our short and succinct submission to the enquiry.

Should you require any further information about the content or the Welfare Rights Centre Inc. do not hesitate to contact the coordinator on 3421 2520 or her mobile 0409 490 366.

Yours sincerely

A handwritten signature in black ink, appearing to be "Gail Middleton".

Gail Middleton
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Introduction

This paper presents the response by the Queensland Welfare Rights Centre Inc. (WRC) to the Senate Inquiry on Employment, Workplace Relations and Education.

The WRC is a specialist Community Legal Centre funded under the community legal centres program that is resourced by both the Commonwealth and State Attorney Generals and managed through Legal Aid Queensland. We specialise in two areas of law:-

- Disability Discrimination and
- Social Security.

More than 80% of our casework relates to the application of the Social Security Act, but our specialist services in disability discrimination places us in a logical position to respond to this inquiry as we tend to be concerned about the more vulnerable people in our communities.

By vulnerable we mean workers:

- with skills and attributes that are not in demand.
- who are from culturally and linguistically diverse backgrounds.
- who live in regional and remote areas with little opportunity to work.
- with child care responsibilities and who can not find quality child care.
- who are reluctant to work unsociable hours as this will mean less time with their family.
- who are responsible for children over 11 years of age and are unable to commit to out of hours work as they are unable to support their children and supervise their activities.
- with a disability who may be judged by their disability prior to being given an opportunity to prove their worth in the workplace.
- who are studying to meet the skill shortage in Australia, but will not be offered the flexibility required to attend university or training without forgoing other conditions.

This paper has been prepared by Gail Middleton who is the co-ordinator of the WRC, but it has also been endorsed by the Management Committee which includes:

Cameron Thomas
Deb Keenan
Sue McComber
Jenny Medland
Tracy Worrall
Jo Backhouse
Dr Greg Marston

Our paper has been divided into two sections.

1. Vulnerable Australians
2. Centrelink Payments as the Safety Net

Whilst we have welcomed the opportunity to respond to the paper a little bit more time would have supported a more detailed submission with the necessary evidence to support our concerns.

Vulnerable Australians

The WRC does not claim to be an expert in Industrial Relation Law but as the majority of our clients are vulnerable we are concerned that they will be forced into unfair negotiations with little to bargain for as they have not had the opportunities to obtain education, skills and knowledge that the market place has placed a higher value on. These IR changes are being marketed as 'Workchoices' yet vulnerable groups have fewer choices.

The WRC supports the ACOSS viewpoint that the Government objective of "helping people with a disability and low income parents into jobs" is a good strategy, but there needs to be some safeguards put in place to protect the more vulnerable workers, in particular those with a disability and those with family responsibilities. The safeguards are needed to ensure the following:

- The rates of pay are to remain at a level that encourages people into the workforce, keeping in mind the excessive marginal tax rates that casual and part time employees pay is their income is topped up through the welfare system.
- Employers should ensure that all workers are given equal opportunities for progression in the workplace and, just because they have a disability they are not overlooked for promotion and training opportunities
- Workers with families, especially people who are caring for elderly relatives, children and family members who are ill or disabled should have protections to ensure they are not forced to trade pay rates and job security for the necessary flexibilities to meet the family responsibilities.

Some examples include:

1. People with a disability being judged by their disability and offered AWA that anticipates a lower rate of productivity, even when this is not the case. Once this agreement has been signed it is difficult to argue for progression within the workplace unless the skill the person has is in demand.
2. Employers who have to make any workplace modification, or buy in additional support such as Auslan Interpreters, may pass on these costs back to the employee by paying at a lower rate of pay. Once the modifications have been made it is difficult for the employee to request the same government assistance for another workplace simply because they have been offered a better rate of pay or improved conditions.
3. Out of School Hours Child Care services tend to stop when a child goes to high school. Parents who have caring responsibilities for children who are over 11 years of age often need hours of work that ensures they can meet this responsibility. Seeking work with these kind of required flexibilities is likely to put these parents in vulnerable positions where they may well accept lower conditions of work in return for specified hours. Given that some parents on low income will be required to look for work from July 2006 it will mean the balance of power between these parents and employers will be greatly distorted without the safeguards of an open award system.

4. People with episodic medical conditions that have been refused the Disability Support Pension will be vulnerable as they seek employment in workplaces that are willing to support their differences rather than exploit them as cheap casual labour.

Another vulnerable group will be students. To date the social security system has paid students less money, not entitled them to rent assistance but allowed them to earn more. This earning power has been utilised by many students doing the unsociable shifts in the hospitality and retail industries and therefore attracting penalty rates so they can still focus on their studies. These students are likely to find penalty rates diminish over time, especially if they are living near employers who have plenty of students to chose from to undertake this work. With a diminished income students will find it increasingly hard to live of Austudy and many may be attracted into semi skilled areas of work leaving a gap of supply for positions that require a qualification.

Our concerns for the vulnerable people in our society is heightened by the fact that the Welfare to Work reforms are going to require many more people to participate in the work force. This figure has been estimated at more than 176,000 over the next three years with Queensland bearing a disproportionate percentage of this figure with over 52300 recipients being required to look for work.

This injection of primarily uneducated and unskilled people, who are required by legislation to accept "reasonable" jobs that are offered, or face suspension of their income security for up to 8 weeks (\$1,600), will impact on the employers ability to redirect profits out of the pockets of these workers and into their own economic gain.

Cutting wages to give people a "foot in the door" is not a new concept for the current government. Our concern is at what point does a vulnerable person no longer require this foot up and be paid a fair days pay.

Centrelink as the Safety Net

Centrelink payments are the safeguard for changes to the Industrial Relations system, and yet Welfare to Work reforms are diminishing this safeguard, particularly for the vulnerable low income parent, person with a disability, older unemployed and the long term unemployed.

In particular families will be worse off as parents who lack skills and negotiation tools will be required to trade their inflexibility with their rates of pay and other conditions. These are not just families with children but the many people who care for elderly and disabled relatives but do not qualify for carer payments through the social security system.

Only today have we heard that there are proposed changes to the Welfare to Work reforms that will give people an extra two years before they have to work. Whilst detail is still unknown it is still a serious concern when our IR and Welfare Reforms are focused on forcing people into unskilled work force by offering no incentive to take up study to meet the skills gap.

In a recent edition of On Line Opinion, Des Griffin wrote:

In more recent appearances Prime Minister Howard has seemed to suggest that the main aim of the reforms is to get longer-term unemployed people into work. They will be prepared to accept minimum work conditions rather than lose their unemployment benefits, which they will do if they don't accept the next job offer. Is this to say that tens of millions of dollars are being spent and critical changes made to industrial relations arrangements - some of which will not affect the small business target group unless they incorporate under federal law - mainly to reduce the outlay on social security?

The government is seeking a more flexible labour market and yet vulnerable groups are particularly restricted in their flexibility and adaptability. In the following Casestudy example a single Mum has had to choose not to study/train to work in an expanding area (aged care) due to this being financially impossible as a result of the Welfare to Work changes.

Joanne works as a receptionist at the local hardware shop in Paramatta, where she meets John. They marry at 21 and decide to start a family straight away. So after the first child was born in 1995 she leaves work.

Enticed by cheaper housing they move to the Sunshine Coast. It was a little lonely at first Joanne has another baby and feeling left out John becomes addicted to the Pokies. This addiction meant they never had enough money to buy a house and they were always in debt. Finally the marriage broke down.

Under the new Welfare to Work Reforms Joanne has to find work. Joanne is having to cope with the family breakdown, behaviour of the children and all

her long term friends and family are in Parramatta so support with the children is difficult.

Child care is very expensive so she has to get a job between Monday and Friday 9.30am – 2.30pm so she can still pick up the children from school. Her skills are dated and she has little opportunity to upgrade them if she is working and taking care of the children. She always wanted to do aged care but if she studied full time she would lose rent assistance and have less money to live off.

She ends up taking a job in a local bakers as a casual but she has not been able to negotiate any casual loading and as an inexperienced worker is being paid a junior rate of pay because that is fair. She is not paid for holidays and has already been warned that if she resigns during school holidays she will not be given a reference.

Two years later on Joanne is still working as a casual shop assistant (her forth job in two years) and the skill shortage in age care is now at crisis point.

Reducing this mothers welfare payments is making it impossible for her to study and help fill labour shortages in what is suppose to be a freer labour market that is responsive to demand and supply. Therefore the flexible labour market is flexible for some but not for others, especially those on Parenting Payment with children over 8, people with a disability who are deemed able to work 15 hours a week, and unemployed people who choose study as a way of improving their work opportunities, especially those who may be renting privately.

The IR and Welfare to Work reforms are creating two societies; one for the skilled and articulate people and another for the vulnerable. But the shame of it all is there are no pathways for the two societies to meet.

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