

Submission

to

Senate Employment, Workplace Relations and Education
Legislation Committee

Inquiry into the Workplace Relations Amendment (WorkChoices) Bill 2005

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**INQUIRY INTO THE WORKPLACE RELATIONS AMENDMENT
(WORK CHOICES) BILL 2005:
SUBMISSION BY FAMILIES AUSTRALIA**



Families Australia's submission to the Inquiry into the Workplace Relations Amendment (Work Choices) Bill 2005 is in three parts: Families Australia role and key principles; issues in relation to Work Choices; and, recommendations.

1. Families Australia

Families Australia is the first national not-for-profit non-government peak body specifically concerned with family-related issues. It is an independent national voice on family matters, which aims to foster a national public policy environment in which family-related issues and the family sector can prosper. Our focus is on informing and influencing national policy at the highest government levels, and on strongly advocating for the cultural diversity and the value of families.

Families Australia has a current membership of 362 organisations from across Australia, including 35 General Members which are national peak organisations in their own right. The Board of Families Australia is representative of the diverse range of family issues in Australia; it is also geographically representative. (Further information is at www.familiesaustralia.org.au).

Key principles: wellbeing, equity, work-family balance

Families Australia's overarching interest in the Work Choice Bill 2005 arises from its belief that the definition of progress or development in Australia should go beyond economic growth and include the notion of sustainability in which the goal of maximising wealth does not override the goal of optimising the health and wellbeing of individuals, families and the community. Nothing is more important to the wellbeing of Australia's society than family security and wellbeing, and to supporting policies and conditions which achieve these ends in equitable and balanced ways.

Families Australia is concerned that rapidly mounting social and economic pressures, especially in the past 20 years, are acting against family wellbeing and social cohesion, and are having especially deleterious effects on the most vulnerable families and individuals. In the area of family relationships, for example, the Australian Institute of Family Studies has found that 45% of contemporary marriages in Australia will end in divorce, whereas 25 years ago this figure was between 8-9%. In relation to social cohesion, the past two decades have seen a significant increase in income inequality amongst Australians with a decline in the share of total income going to the bottom 10% and the middle 20% of Australians. Another matter of great concern, particularly in terms of inter-generational equity, is that Australia has now more than 678,000 Australian children living in jobless households.

Given the overall increase in working hours and less standardised work schedules in the past two decades in Australia, many families and individuals are struggling to strike the right balance between work and family life. A 2003 Relationships Australia survey revealed that 89% of respondents felt that their relationships were in trouble because finding a work/life balance was so difficult. A major study of 'middle Australia', conducted between 1996 and 2000 by sociologist Michael Pusey, found high levels of anger and moral anxiety about changes in Australian society, which reflected more specific concerns: a majority felt quality of life was falling, with the most common reasons given being: too much greed and consumerism; the breakdown in community and social life; too much pressure on families, parents and marriages; falling living standards; and employers demanding too much.

Flowing from these considerations, Families Australia believes it is vitally important for any government initiative aimed at enhancing workplace flexibility and participation to recognise the wide diversity of family capacities, strengths and pressures, and to take special account of those whose views are often unheard, in particular, children, young people, single mothers, low income earners, migrants, disabled persons, and part-time and casual employees.

2. Issues in relation to Work Choices

Families Australia is concerned that, without additional supporting measures (see Recommendations, below), Work Choice implementation may jeopardise the prospects of Australia's most vulnerable families, and further increase pressures on family relationships and social cohesion.

Children, dependents, young people and health

Families Australia looks to any industrial relations changes to significantly enhance, rather than diminish, family interaction and wellbeing, balanced with the need for sustainable economic growth.

An important point relates to the welfare of children. It would be of serious concern if, due to pressure on parents to accept 'family-unfriendly-hours' under substantially changed employment conditions, the amount of time for parenting and other carer activities were to be further reduced. There would be major adverse social consequences if altered work practices were to increase exposure of children to unaccredited or unregulated child care arrangements, or worsen already alarming rates of child abuse and neglect.

Infrastructure outside the strict confines of the industrial relations system also needs to be primed for change. Further planning is required in relation to the quantum, quality and affordability of child care should new industrial relations practices change the pattern of workforce participation by parents and carers.

Special groups, including foster carers and home schoolers, need to be given careful consideration. Bearing in mind the significant cost savings to government by undertaking

duties outside the statutory protection system, such carers require special flexibilities in relation to individual workplace practices and government welfare decisions.

The situation faced by young working people in a changed industrial relations system requires careful attention. In 2005, a NSW Children's Commission survey of 11,000 high school students in years 7 to 10 about their experiences at work found that over half of children in the study worked and most of them enjoyed working and its financial, social and personal benefits. Nonetheless, the *Report on Children at Work* highlighted serious concerns. Two in five children sustained some type of work-related injury, and almost 20 per cent received injuries serious enough to receive treatment. Just under half of working young people said they had been verbally harassed, and about 20 per cent said they had been physically harassed at work.

The *Report* stated that: "The casual nature of the work of children generally means that they are likely to work in places with less guaranteed occupational health and safety policies and procedures....Young workers are unlikely to be aware of their workplace safety rights, nor of procedures that need to be followed if they are injured. Further, children may be concerned about the security of their job and are therefore less willing to exercise their rights". In this light, Families Australia believes it is important that measures be put in place within the new industrial relations framework to ensure that obligations toward young workers in areas such as safety are better understood and protected, and that the position of those workers, for example in negotiating working conditions, is not diminished compared with more experienced adult workers.

At a broader population level, increased levels of stress, anxiety and depression and poor physical health outcomes are clearly correlated with increased working hours, reduction in meal times, and poor balance between work and non-work life. Clinical depression is Australia's second-biggest contributor to the total burden of disease. A matter requiring serious ongoing examination, therefore, is the likely impact for health of additional stresses placed on workers arising from changed industrial relations practices.

Australian Workplace Agreements (AWAs)

Under Work Choices, AWAs will become Australia's principal form of employment contract. Families Australia believes that, while some people possess sufficient capacity to negotiate an individual workplace agreement, this will be a challenge for many others, especially the young finding a first job, the long-term unemployed, and low income workers who do not possess sufficient experience or skill in workplace negotiation techniques and practices. The capacity of workers to effectively negotiate agreements in the new system may be severely constrained by the poor levels of resourcing that many, especially low paid and new workers have at their disposal.

A major concern is that experience or skills deficits will cause many employees to accept less than optimal employment terms, including in relation to penalty rates and holiday entitlements. Thus, in the interests of equity and fair treatment in the workplace, it is important that workers be supported in making their choices through adequate and targeted education and awareness raising programs. Additional training in occupational

health and safety will be particularly important given uncertainty that this work will be performed by employee-based organisations to the same extent as in the past. Additional flexibilities could also be introduced into the process of making AWAs, for example, by allowing a cool-off period between signature and the Agreement coming into effect.

Work entitlements

The provision for annual leave to be cashed in to a maximum of 1/26th of nominal hours worked (that is, retaining a minimum of two weeks annual leave) may introduce flexibilities for some. However, the long-term impact on family life arising from this provision needs to be carefully examined, with government, unions, employees and employers taking steps to review the effects on morale, productivity and work/family balance.

The same issues apply to penalty rates. An estimated one million of two million New South Wales workers regularly work overtime of around seven hours per week, underlining a high level of reliance by many workers on this form of income. The likely impact on families due to changes in penalty regimes remains unknown, and is a source of concern for many Australian families who are contemplating the transit from existing to new individual agreements.

Unfair dismissal

Careful attention is required in relation to proposed unfair dismissal provisions. While recognising the need for flexibility in business operations, over-relaxation of dismissal provisions (including for businesses employing over 100 staff) appears likely to increase feelings of job insecurity on the part of employees, and may diminish employers' proper responsibility for adequate and sustained business and workforce planning.

Monitoring broader impacts

It will be vitally important to monitor the impact of Work Choice on families. Australia is experiencing historically low rates of unemployment, but fluctuation to a labour-demand situation may increase pressure on job-seekers to negotiate relatively poor workplace conditions. That could encourage unscrupulous employers to wind back basic conditions, such as work hours and leave entitlements. By paring too deeply into the current system of industrial relations protections, employees and their families may find minimum conditions reduced to intolerable levels, with negative outcomes for worker cooperation, morale, workplace productivity, and family relationships. That the Australian Fair Pay Commission should operate from a broad national perspective and with independence is crucial to making the system work fairly.

3. Recommendations

In relation to the Work Choices Bill 2005, Families Australia recommends that:

- Substantial additional resources should be devoted to promoting employee and employer understanding of Work Choice practices so that all can attain adequate competency to negotiate fair employment arrangements. Special attention should be given to the needs of the most disadvantaged and to training in areas such as

negotiation skills and occupational health and safety. Additional flexibilities could be introduced into the AWA making process, for example, by allowing a cool-off period between signature and the Agreement coming into effect;

- A long term study should be commissioned to monitor and assess the effects of Work Choices on matters such as costs, productivity, work and family balance, child care, health and nutrition, young workers, parenting practices, and overall family wellbeing;
- The quantum, quality and affordability of child care should be urgently reviewed to ensure compatability with the desired outcomes of the new industrial relations practices;
- Special groups, including foster carers, should be provided with special flexibilities in relation to individual workplace practices and government welfare decisions;
- Additional measures should be put in place to ensure that obligations toward young workers in areas such as safety are better understood and protected, and that the position of those workers, for example in negotiating working conditions, is not diminished compared with more experienced adult workers;
- A “no disadvantage test” should be implemented to ensure that when governed only by the five conditions (annual leave, personal carers leave, parental leave and ordinary hours, plus minimum wages) families are not forced to accept family hostile hours. The “no disadvantage test” should also address the effects of the loss of penalty hours; and
- The application of ‘unfair dismissal provisions’ should be closely monitored by the Industrial Relations Commission at a national, in addition to an employer level, paying special attention to issues of employer workplace planning practices and strategic (that is, long term) management capacities.

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