

Submission

to

Senate Employment, Workplace Relations and Education
Legislation Committee

Inquiry into the Workplace Relations Amendment (WorkChoices) Bill 2005

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

Dear Madam/Sir,

**re: Inquiry into the Workplace Relations Amendment (Work Choices) Bill
2005**

Please find attached a copy of the background briefing for the *What Women Want* project. *What Women Want*, co-ordinated by the National Foundation for Australian Women, has brought together members of the three of the four National Secretariats of women's organizations who are funded by the Office for Women. WomenSpeak, Security4Women and the Australian Women's Coalition have supported this project which looks into the impact of the proposed industrial relations and Welfare to Work changes on women in Australia.

In bringing these three secretariats together on this joint project, What Women Want is supported by 62 women's and community organizations, representing the diverse interests and reflecting the views of women from all over the country.

This Friday, 11th November 2005, will see the second workshop as part of this project, which will continue consultation with the membership of the three secretariats, provide information on the progress to date, address concerns that were flagged at the first workshop in relation to the draft legislation and discuss future work.

We seek the opportunity to appear before the Senate Employment, Workplace Relations and Education Committee at the public hearings in November, in order to discuss the outcomes of the project so far, including the outcomes of this upcoming forum. It is unfortunate that we are unable to provide you with a more comprehensive written submission, but feel that we will be able to better represent the opinions of participants if we are informed by the workshop on the 11th November. We feel that it is important to voice the concerns of women in Australia about the proposed industrial relations changes, and would appreciate the opportunity to appear.

Yours Sincerely

Alexis Tindall
National WomenSpeak Manager

On behalf of
Sue Conde, Australian Women's Coalition, and Alex Haynes,
Security4Women.

BRIEF REGARDING THE WHAT WOMEN WANT PROJECT A JOINT PROJECT BETWEEN NATIONAL WOMEN'S SECRETARIATS 2005

SUMMARY

In 2005, three of the National Women's Secretariats – the Australian Women's Coalition, Security4Women and WomenSpeak – came together to explore the potential impact on women of the Government's proposed welfare and industrial relations changes. The following brief provides background on how this came about, some of the key issues and outcomes from this work to date.

BACKGROUND

The National Women's Secretariats

The Commonwealth Government funds four national women's secretariats to contribute to Government policies affecting Australian women, carry information between the Government and the community on social policy issues, and represent constituent's views. The four Secretariats funded are:

- Australian Women's Coalition
- National Rural Women's Coalition
- Security4Women
- WomenSpeak

Each of the Secretariats have members who support the Network as members. The Secretariats are overseen by the Commonwealth Office for Women, with the Department of Family and Community Services (previously the Office for the Status of Women within the Department of Prime Minister and Cabinet).

The Secretariats have been operational for approximately four years. While the initial funding agreement had a focus on both research and consultation, the agreements just negotiated have a much stronger emphasis on consultation with women – both those who are members of the Networks, and more broadly.

History of working together

Over the life of the Secretariats there had been information sharing but there had not been many opportunities to work together collectively. Issues that emerged in 2005 provided a catalyst for the Secretariats to come together in the pursuit of a common aim; that is to ensure that women are not disproportionately negatively affected by the Government's overhaul of the welfare and industrial relations systems.

THE ISSUES

In 2005, the Commonwealth Government made significant announcements on two key issues. They were:

Welfare Reform: As part of the 2005-06 budget announcement in May 2005, the Treasurer announced significant changes in the administration of welfare payments to groups within the community. In particular, it was announced that single parents (once their youngest child turns six) and people with disabilities would be moved from pension arrangements to the Newstart Allowance, an unemployment benefit. Ministers stated that this was based on a premise that those who could work, should work¹. It was thought by some that the current system provided significant disincentives to moving from welfare to work.

¹ 15 September 2005 Speech of Minister Andrews to ACOSS Advocacy Day Participants

Industrial Relations: With the delivery of a majority in the Commonwealth Senate in the last election to come into effect from 1 July 2005, the Government signalled its intention to introduce significant changes to the industrial relations system in Australia. . Key elements of the changes included replacement of the Australian Industrial Relations Commission with a Fair Pay Commission, exempting businesses with less than 100 employees from unfair dismissal laws, and significantly changing the rules around agreement making (particularly for certified agreements and individual agreements).

ESTABLISHMENT OF THE PROJECT

When coming together in mid 2005, three of the Secretariats identified that these two pieces of work had emerged as key areas of concern for each of these networks. In joint discussions in June 2005, the Secretariats agreed to come together to work on this project, which was entitled *What Women Want*. A steering committee was formed, and the National Foundation for Australian Women (NFAW) a member of both Security4Women and WomenSpeak agreed to take the lead on the project, particularly around the development of an initial workshop on these issues.

THE WHAT WOMEN WANT WORKSHOP - JULY 12 2005

Process and activities

A workshop was held in Canberra on 12 July and brought together representatives from 64 women's organisations. Government representatives from the Department of Family and Community Services and the Department of Employment and Workplace Relations also participated.

Three papers were developed and released prior to the workshop, with the authors presenting each of these within the workshop. Participants then had the opportunity to discuss issues and implications. The workshop proceedings were publicly released with a statement regarding the findings and concerns. The papers may be found at http://www.nfaw.org/policy_home.html

Information presented at this workshop was consistent with the growing concerns of women's organisations participating in the workshop that the proposed changes had the potential to significantly and disproportionately impact on the lives of women. In the media statement released after the workshop, it was noted that participants in the session "...represent a broad cross-section of women's organisations, concerned about the potential for disadvantage to women and their families from changes to industrial relations, income security changes and the compounding effects of these changes²".

Findings and concerns

The media statement released at the conclusion of the workshop outlined key issues and concerns:

- *Women may well have less income security, lesser work stability;*
- *Women have a greater reliance on award rates of pay, penalty rates and other award based conditions and so will be disproportionately affected;*
- *Women generally have a lower capacity to engage in workplace negotiations and will be disproportionately affected with lower standards of living;*

² 2005 Joint Statement of AWC, Security4Women and WomenSpeak regarding What Women Want Workshop (available through websites listed at the end of this brief)

- *Newstart and other allowances under associated income support programs do not recognise the role of women with school age children and the impact the changes will have on their ability to undertake work;*
- *Existing mechanisms to assist people move from welfare to work will not be able to cope with the increased demand as people's rights to income support diminish and so many will be left without sufficient income to look after their children or themselves if disabled; and*
- *It will be harder under the new rules for sole parents or disabled women to undertake study and so improve their economic wellbeing³.*

The participants at the workshop endorsed the principle of government assistance for women with disabilities and those supporting children on their own to enter the workforce and improve their economic wellbeing. However, they felt the government did not fully understand all the issues involved and that some of the policy proposals would be likely to adversely impact on women. Fear was expressed that the changes, without adequate safeguards, may increase the level of poverty in the community amongst its most vulnerable members.

RESEARCH

A number of separate but related activities were undertaken after the conclusion of the workshop. The role of NFAW in driving and commissioning this work should be noted.

In particular, NFAW worked with organisations and individuals to raise funds to commission independent research to test some of the concerns expressed in the workshop through statistical modelling. The National Centre for Social and Economic Modelling (NATSEM) was approached and expressed interest in being involved in the project. Once NFAW was successful in raising funds through donation, NATSEM approached the University of Canberra in order to identify matched funds through their grants process. This was successful and resulted in two pieces of research being undertaken:

1. A NATSEM study on the Distributional Impact of the Proposed Welfare-to-Work Reforms Upon Sole Parents; and,
2. A NATSEM study on the Distributional Impact of the Proposed Welfare-to-Work Reforms on People with Disabilities.

The Distributional Impact of the Proposed Welfare-to-Work Reforms Upon Sole Parents:

This research was released on 25 August 2005. It analyzed the impact of the proposed changes upon the disposable incomes and effective marginal tax rates of sole parents. It found that the disposable incomes of sole parents can be up to about \$100 a week lower under the proposed new system than under the current system. It also found that that effective marginal tax rates will be sharply increased under the proposed new system, over a reasonably wide range of earned income.⁴

It noted that *“The Newstart Allowance maximum payment rate is about \$29 a week lower than that of Parenting Payment Single, resulting in an immediate loss of this amount of income for those transferred from Parenting Payment Single to Newstart Allowance when their youngest child turns six. (Incidentally, it is worth noting here*

³ *ibid*

⁴ 2005 NATSEM: *The Distributional Impact of the Proposed Welfare-to-Work Reforms Upon Sole Parents* p.iii (available through www.natsem.canberra.edu.au)

that the gap between Parenting Payment Single and Newstart Allowance will increase further in future years, as Parenting Payment Single is indexed to movement in average weekly earnings, while Newstart Allowance is indexed to the (generally lower) Consumer Price Index. As a result, by 2008-9, for example, the maximum payment rate for Newstart Allowance will be about \$42 a week lower than that for Parenting Payment Single (rather than the \$29 a week apparent for 2006-07.)⁵

It also recognized that “The Newstart Allowance income test is also much less generous than the Parenting Payment Single income test and the tax treatment of allowees is much less generous than the income tax treatment of pensioners. Taken together, these mean that the losses in take-home income can be as high as \$96.50 a week for sole parents with one child and around \$230 per week of private earnings who are transferred to Newstart Allowance... Under the proposed new system, the Federal government will be the major beneficiary of such a sole parent moving from zero to 15 hours a week of paid work, with the sole parent keeping \$81 a week of their \$195 a week of earnings, and the government taking the other \$114, via reduced Newstart Allowance and increased income tax payments... The other consequence of the more restrictive Newstart Allowance income test and harsher income tax treatment is to create much higher effective marginal tax rates for sole parents than they face under the current Parenting Payment Single income test⁶”.

The Distributional Impact of the Proposed Welfare-to-Work Reforms Upon People with Disabilities

This report was released 13 September 2005. The study found that single adults with disabilities will lose up to \$122 a week in 2006-07 from the Federal Government's proposed welfare to work reforms. It found that single adults with disabilities and with no private income apart from their social security payment will receive \$46 a week less in 2006-07 under the proposed new system than under the current system. This represents about a one-fifth fall in their income. The indexation of Newstart Allowance to the CPI - rather than to average weekly earnings - will mean that these losses will increase over time, rising to \$68 a week by 2009-10 for those with no income apart from social security, or those with some private income, the potential losses are much greater. The 'take-home' incomes of people with disabilities and private incomes ranging between \$145 and \$405 a week will fall by at least one-quarter⁷.

It also found that “A person with disabilities working 15 hours a week for the minimum wage will earn \$191 a week under the new system, but will take home only \$80 of this (see attached figure). The government will retain the other \$111, via clawback of Newstart Allowance and income tax. The take-home income of this person working 15 hours a week will be \$288 a week under the new system. This is only \$34 a week higher than the \$254 a week that a person with disabilities who does not undertake any paid work receives under the current rules. The effective return from the 15 hours of paid work is thus \$2.27 an hour.

The Government has proposed that after 1 July 2006 people with disabilities who can work 15 hours a week or more be placed on Newstart Allowance, rather than Disability Support Pension (DSP). The maximum rate of Newstart Allowance is \$46 a

⁵ *ibid* p 17

⁶ *ibid*

⁷ 2005 NATSEM Media release regarding release of *The Distributional Impact of the Proposed Welfare-to-Work Reforms Upon People with Disabilities* 13 September 2005 (available through website www.natsem.canberra.edu.au)

week lower than DSP and the income test and income tax treatment are much less generous. These factors combine to produce the losses outlined above, relative to the current system⁸".

ADVOCACY

The Secretariats agreed that it would be useful to meet with Governments to articulate key concerns and advocate for these views to be taken into account in relation to the finalisation of proposed changes. Therefore some significant meetings were arranged

Meeting with Department of Family and Community Services and Office for Women

On August 24 a meeting was held with senior members of the Department and delegates from the Secretariats. This meeting was a useful exchange that covered a range of issues.

Attendees:

FaCS: Jeff Popple, Branch Manager, Families and Children's Policy
 Linda Powell, Branch Manager, Childcare Policy and Planning
 Ben Wallace, Brand Manager, Disability and Carers
 Di White Section Manager, Childcare Budget Implementation Team
 Lee Emerson a/g Group Manager, Women and Youth
 Melissa Stutsel, Section Manager OFW
 Sue Williamson, Policy Adviser, OFW

National Secretariats

WomenSpeak: Sue Salthouse (Women with Disabilities Australia)
 Rebecca Vassarotti (YWCA, Secretariat)
Secruity4Women: Erin Wood (Director, Professional Services, APESMA)
Australian Women's Coalition: Sue Conde and Robyn Gaspari (Secretariat)

Discussions

Welfare Reform

Women with Disabilities: Sue Salthouse noted the Secretariat's support of proposals that do provide real opportunities for women with disabilities (who are able to) to obtain meaningful and rewarding work. However, she did provide information regarding some of the particular issues facing women with disabilities, and some of the concerns regarding the proposed changes for individuals on disability pensions.

Carers: Robyn Gaspari provided information regarding some of the concerns regarding carers and the proposed reforms, particularly as they are very limited by their caring responsibilities. She discussed some of challenges facing these individuals, which are most often women.

Rural and regional women: Robyn Gaspari noted that she had been in contact with the National Rural Women's Coalition and had received information regarding some of the issues facing these women in relation to new obligations required around single parent obligations. There were a range of issues discussed regarding availability of employment, transport and childcare.

⁸ *ibid*

Childcare issues: This led to a detailed discussion regarding some of the issues around childcare, including accessibility, cost, demand etc.

General Sole Parent issues: There was a discussion regarding the impacts of single parents (who were most often women) of the proposed changes from Pension to Newstart once a child turned 6. Key issues raised included:

- The drop in income that many women would face
- The effective marginal tax which will be faced by many women in this situation
- The reduced availability of education (which is recognised as the key way of getting out of poverty)
- The much harsher requirements of the NEWSTART allowance (breaching etc)

The Secretariats did provide information regarding their understanding about when NFAW was going to release the NATSEM report [this subsequently changed] and the Secretariat's intention to comment on the report.

Industrial Relations

Erin Wood provided a perspective on some of the key concerns around IR changes, and the particular impacts on women. Key issues included:

- Higher likelihood of women to be on awards and safety net conditions
- Higher likelihood of women to be in casualised and part time positions
- Higher likelihood of women being in a weaker negotiating positions
- Higher likelihood of women requiring more flexibility due to carer and other responsibilities

Some discussion occurred including:

- Exploration of what the impact of casualised and part time positions (recognition that sometimes part time is a very positive response to the responsibilities facing women). There was some discussion regarding the need to use very clear language around some of these issues
- Some discussion of why women are in a weaker negotiating position – some information was provided around the different outcomes women achieve when bargaining collectively and individually
- Some discussion regarding individuals and the community's understanding of the industrial climate and their ability to negotiate

Meeting with the Minister for Employment and Workplace Relations Kevin Andrews and the Minister for Family and Community Services/Minister assisting the Prime Minister for Women's Issues Kay Patterson

Introduction

On 14 September, the three National Women's Secretariats (Australian Women's Coalition, Security4Women and WomenSpeak) met with Minister Andrews regarding proposed welfare and industrial relations reform. Unfortunately due to parliamentary business Minister Kay Patterson was only able to attend the meeting for a short while. However, advisors for Minister Patterson were able to attend.

Members of the Delegation

The delegation consisted of members from the Australian Women's Coalition, Security4Women and WomenSpeak:

WomenSpeak: Annie Parkinson (Women With Disabilities Australia)
Rebecca Vassarotti (Secretariat)

Security4Women: Erin Wood (APESMA)
Kerri Ann Dear, (Queensland Working Women's
Service)

Australian Women's Coalition: Sue Conde (Secretariat)
Ros Kinder

Discussions

The meeting was very positive with a useful exchange of information between the delegation and the Minister. The delegation was able to raise a range of issues in a constructive and positive manner.

The message of the delegation was that we are supportive of initiatives and proposals that support greater participation of women in the workplace. However, there is concern that the proposals may have a disproportionate impact on women, and some groups of women (especially single parents and women with disabilities) may be particularly disadvantaged by the proposed changes. A key desire of the delegation put forward was ensuring that there is no disadvantage in the implementation of the Government's welfare and industrial relations reform agenda.

The group noted that the views and concerns expressed at the meeting had been drawn from the What Women Want Project, and were reflective of the concerns of a wide range of women. The delegation noted that these concerns were supported by recent independent research exploring the impact of welfare reforms. The delegation did note that these concerns were based on partial information only, as the detail of proposals had not been released, and expressed its eagerness to obtain further detail on the proposals.

Key issues that were discussed within the meeting included the following:

- The potential detrimental impact on women's wages and equal pay
- The potential detrimental impact upon women's terms and conditions of employment
- The potential detrimental impact upon women with family responsibilities
- The potential for the increased casualisation of work
- The potential reduction of financial support for those in need
- The potential detrimental impact upon sole parents
- The potential detrimental impact upon women with disabilities

In discussions, Minister Andrews acknowledged many of the concerns raised by the delegation and noted that many of these issues were being examined by the Government. He suggested that many of the concerns raised would be allayed when the detail of the proposals was released.

The delegation provided the Minister with the What Women Want Project Report, the joint statements of the Secretariats and a briefing paper that outlined a range of policy proposals/outcomes sought. The delegation noted our interest and availability to be involved in ongoing discussions on these issues.

Participation in ACOSS Advocacy Day

The Australian Council of Social Service organised a national advocacy day on 14 September to highlight general sector concerns around the welfare reforms. Preparatory information included the collection of statistics of the numbers of people likely to be directly impacted by the proposed changes. In addition to general presentations by Minister Andrews and Senator Penny Wong, the delegation of over 50 representatives spent the afternoon discussing issues with members of both the House of Representatives and the Senators. A range of member organisations in addition to the Security4Women and WomenSpeak Secretariat participated in this event, and joined delegations to members of Parliament.

Other meetings planned

There are two other meetings that the Secretariats are still keen to arrange if possible. Approaches have been made to:

- The Department of Employment and Workplace Relations
- Senator Gary Humphries, Chair of the Community Affairs Committee

PROGRESS TO DATE, KEY ISSUES FOR THE FUTURE AND NEXT STEPS

Indicators are that the work which has been undertaken by the Secretariats has been constructive and useful.

There have been some positive but small steps. In mid September the Government announced some changes in the proposed arrangements. There has been agreement across the sector however that these are very small changes which will not ease the burden envisaged for vulnerable Australians

Currently, the Secretariats are supporting a letter writing campaign which encourages individuals to write to local members, outlining their issues and concerns. While an ACROSS campaign provides tools such as a form letter, the complementary campaign asks people to provide individualised letters. A range of materials has been provided to assist people in this task. This campaign has primarily occurred via email.

A second workshop has been planned as part of the What Women Want project on 11 November 2005. This is aimed at updating interested parties of progress to date, further exploring issues and developing a plan of action around how to progress to the next stage. This workshop has been designed to coincide with the introduction of the legislation to the Parliament, which is expected to occur at this time.

There are a number of threshold issues that need to be resolved, including:

1. A commitment to an accessible and appropriate inquiry in the Senate once the legislation has been introduced: many of the issues identified by the Secretariats have been acknowledged, with assurances given that the framework will ensure that disadvantage does not occur. There is the need for thorough analysis of the draft legislation to ensure that this is the case;
2. Continued work with all Parties within the Parliament: it is important that all parties understand the potential impacts and make commitments regarding their actions if disadvantage does occur as a result of the final legislation;
3. Rigorous monitoring of actual impacts of the final legislation: it is important that the momentum built through this process does not dissipate as the community becomes used to systemic disadvantage and the erosion of the rights of individuals, particularly those who are vulnerable.

Authorised by Australian Women's Coalition, Security for Women and WomenSpeak Secretariats

Further information, media releases and NATSEM research is available at;
<http://www.security4women.com>
<http://www.ywca.org.au/womenspeak>
<http://www.awcaus.org.au>