

Submission to the Inquiry into the Workplace Relations Amendment (Work Choices) Bill 2005

This submission proposes the establishment of a National Centre for Work Quality and Family Wellbeing to monitor the impact of the legislation on the quality of jobs being created and the impact on the health and well-being of workers and their families and to report to the Australian Parliament on its findings.

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The Need to Monitor Conditions of Work and Impact on Workers and their Families

Introduction

It is well established that unemployment has significant adverse impacts on individuals, their families and on the community (See Box 1). If, as the Government expects, the new Workplace Relations Amendments increases employment and reduces unemployment by providing greater flexibility in employment conditions, it may provide significant social benefit to many individuals, families and communities.

Flexible employment can help individuals and families meet their personal and family responsibilities while meeting their workplace responsibilities. But there is a growing body of research to show that poor quality jobs can have a worse impact on some aspects of health than no jobs at all (See Box 2) and that the conditions under which parents are employed can negatively impact the welfare of children (See Box 3).

The quality of jobs described in research studies relates to low wages, involuntary part-time work, excessive job demands and low levels of control over the work by workers.

If, as opponents of the legislation claim, reducing the protection given to workers under current awards produces lower quality jobs, then individuals, families and communities could end up worse off than they are at present, with people currently receiving unemployment benefits and social security payments being at greatest risk. The Welfare Reforms both encourages and pressures many people not currently in employment to take jobs or lose social security payments. These groups will be competing for jobs mainly at the low wage end of the market and will have the least bargaining power.

It would be quite possible for both the Government and the Opposition to be right - the IR Amendments and the Welfare Reforms may reduce unemployment but the individuals and families are made worse off who are in work could be worse off than at present.

By carrying out the monitoring and research proposed, the National Centre for Jobs Quality and Family Welfare recommended below could either make findings that confirmed the expectations of the Government for the IR and Welfare Reforms (that low income workers and people currently unemployed or on welfare payments will be better off), or it could identify employment conditions that were in fact detrimental to individuals and families. The Centre could recommend to Government additional conditions that should be included in the Minimum Entitlements of Employment (set out in Section 89 of the Amendments) or other social or support programs to mitigate the harm

This is a recommendation the both Government and Opposition members of Parliament can support. Current research is showing that there are problems for low income workers under the current IR and welfare arrangements. The risks and potential benefits under the new arrangements are potentially much higher.

Recommendation: That the Government establish an independent National Centre for Jobs Quality and Family Welfare to monitor the quality of jobs and to monitor the health and well-being of workers and their families.

The Centre would identify conditions of employment and their effects of the health and well-being of workers and their families, especially those workers whose rates of pay were between the minimum wage and average weekly earnings and workers in part-time and casual employment. The Centre would also monitor the experience of unemployed people who return to work and compare the quality of jobs and impact on the well-being of the workers and their families.

The Centre should report to the Parliament and the public on the impact of working conditions on the health and welfare of workers with a view to reviewing the minimum working conditions allowed under Australian law and/or providing additional support programs to individuals or families to ensure that they benefited from employment and were not harmed..

Box 1: Unemployment causes ill health and influences drug abuse, crime rates and suicide rates

Research showing that unemployment is associated with poor health outcomes has been well documented in Australia and internationallyⁱ. While some of this association results from the difficulties unhealthy people may have getting and keeping jobs, there is also evidence that unemployment leads to worse health.

- ❖ Unemployed people experience worse health, use more health services and die at higher rate than employed people^{ii,iii}.
- ❖ High crime rates are linked to unemployment and other problems of disadvantage^{iv}.
- ❖ Risks of drug use amongst children is higher were unemployment is higher (Australian National Council on Drugs^v)
- ❖ Suicides amongst adult males, young males and indigenous males are associated with unemployment^{vi} but the links are complex.

Box 2: Poor quality jobs can be worse for workers' health than no jobs

The psychological health of workers is significantly influenced by the way work is organised, the security of job tenure, (Siegrist, 2002), excessive job demands (Stansfeld et al., 1997), poor job control (Bosma et al., 1997), job strain (high demands and low control) (Karasek, 1979) and insecurity (Bohle et al., 2001)

Research has found that moving into poor quality jobs (low wage and involuntary part-time jobs) is related to significant increases in depression among young adults (Dooley et al., 2000), and work dissatisfaction is sometimes as harmful to health as unemployment (Graetz, 1993). Thus the quality of employment, including the presence of factors such as insecurity, high demands and low control (job strain), can determine if people are helped or harmed by moving into work.

Box 3: 'Unsocial' working arrangements for parents have negative impacts on children's well-being

Children in families where one or more parents work non-standard hours experience significant increases in emotional and behavioural difficulties compared to children in families where the parent or parents work standard hours^{vii}.

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ⁱⁱ *The health consequences of unemployment: the evidence* Colin D Mathers and Deborah J Schofield
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ⁱⁱⁱ *Unemployment and young people's health* Stephen L Morrell, Richard J Taylor and Charles B Kerr
(MJA 1998; 168: 236-240)

^{iv} ABS *Measures of Australia's Progress – The measures - Crime*.
<http://www.abs.gov.au/ausstats/abs@.nsf/0/4c6ef961841b2ea4ca256e7d00002650?OpenDocument>

^v <http://www.ancd.org.au/media/media45.htm>. See also Morrell, Taylor and Kerr in 3.

^{vi} National Youth Suicide Prevention Strategy Communications Project
<http://www.aifs.gov.au/ysp/stpost.html> See also Morrell, Taylor and Kerr in 3.

^{vii} *Around-the-clock: parent work schedules and children's well-being in a 24-h economy*
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