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Official Committee Hansard

**HOUSE OF
REPRESENTATIVES**

STANDING COMMITTEE ON EMPLOYMENT AND
WORKPLACE RELATIONS

Reference: Employment: increasing participation in paid work

TUESDAY, 6 APRIL 2004

PERTH

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HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON EMPLOYMENT & WORKPLACE RELATIONS

Tuesday, 6 April 2004

Members: Mr Barresi (*Chair*), Mr Bevis (*Deputy Chair*), Mr Dutton, Ms Hall, Mr Hartsuyker, Mr Lloyd, Mr Brendan O'Connor, Ms Panopoulos, Mr Randall, Ms Vamvakinou and Mr Wilkie

Members in attendance: Mr Barresi, Mr Brendan O'Connor, Mr Randall and Mr Wilkie

Terms of reference for the inquiry:

To inquire into and report on:

Employment issues in both rural/regional and urban and outer suburban areas, with particular reference to:

- Measures that can be implemented to increase the level of participation in paid work in Australia; and
- How a balance of assistance, incentives and obligations can increase participation, for income support recipients

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Committee met at 9.43 a.m.

AUSTEN, Associate Professor Siobhan Eileen, Co-Director, Women's Economic Policy Analysis Unit, Curtin Business School

GILES, Dr Margaret Joan, Research Associate, Women's Economic Policy Analysis Unit, Curtin Business School

CHAIR—I declare open the public hearing of the inquiry into employment: increasing participation in paid work. We thank the Women's Economic Policy Analysis Unit from Curtin University for being with us today. I would like to welcome Professor Siobhan Austen and Dr Margaret Giles from the university. Thank you for being with us today. The proceedings here today are formal proceedings of the parliament and, although the committee does not require witnesses to give evidence under oath, you should understand that these hearings are legal proceedings of parliament and warrant the same respect as parliament itself. Giving false and misleading evidence is a serious matter and may be regarded as a contempt of parliament. We do prefer that all evidence be given in public, but if at any stage you should wish to give evidence in private please ask to do so and we will consider your request. I now invite you to make some opening comments, and then we will move to general discussion and questions.

Prof. Austen—Thank you very much for the opportunity to make this submission to the committee. Our submission is that in coming decades the Australian labour market is going to feature an increased level of involvement by women. The change in women's involvement in paid work will comprise both an increase in participation and also an increase in average hours of work. Although we perceive that changes in labour demand and supply over coming decades will, of their own accord, bring about an increase in the role of women in the paid work force, we also believe that government policy will play an important role in ensuring that the process of change that we are expecting will not be impeded.

To elaborate on this, our analysis of changes in labour demand and supply is straightforward. We note that the population is ageing and that this will constrain the growth of Australia's labour force. We also note on the labour demand side that the economy is becoming service oriented, partly due to ageing, and that global competition for skilled labour is increasing rapidly. In addition, we perceive that flexibility is becoming an increasingly important attribute of labour that is sought by employers. When we put all of these things together, we are left with a very clear impression that women's involvement in the paid work force will increase.

Firstly, women are working in the services sectors of the economy, and these are the sectors that are likely to grow in coming decades. To our knowledge, the Department of Employment and Workplace Relations, which I think would be the key agency here, has yet to create a gendered analysis of future labour needs or, indeed, to study the effects of ageing on the future skill mix. That relates to email correspondence with the department. Secondly, women's education levels are rising very rapidly, especially compared to men's, and thus women are becoming an increasingly important source of skilled labour within this economy. Thirdly, due in part to social norms that ascribe particular caring roles to women, they have demonstrated a willingness to take on the flexible jobs that are increasingly important within the economy, even when these jobs underreward their skills—that is, many women are trading off higher wages for

employment conditions that enable them to meet especially their children's needs. Women are flexible in the particular labour supply that they are providing.

Fourthly, as a group, Australian women have the greatest potential to lift their involvement in the paid work force. Relative to Australian women, but importantly also relative to women in comparable countries around the globe, our labour force participation rates and average hours of work are relatively low. For example, if we compare Australian female participation rates with those recorded in Canada—which I think is an interesting comparison to make, given the similarities of our histories and our economies—looking at 25- to 29-year-old women, our participation rate is currently at about 73.2 per cent while in Canada it is 80.6 per cent. Among 30- to 34-year-old women, Australia's participation rate is 68.4 per cent; in Canada in that same age group it is 80 per cent. Among the 35- to 39-year-old women, the labour force participation rate in Australia is 68.2 per cent whilst in Canada it is 81.5 per cent.

Canada's participation rates are not the world's highest. Countries like Norway and Sweden have even higher rates. The other part of that comparison which is important to note is that part-time work is a particular feature of Australian women's involvement in paid work. Going to the Canadian-Australian comparison, we see that rates of part-time work amongst Australian women are about double those of Canadian women. The point that I am making there is that we identify a potential for change in Australia's participation rates, especially those amongst women.

The final point in our introductory analysis is that many Australian women want to increase their involvement in paid work, and they would perceive such a change as constituting an improvement in their economic and social wellbeing. In other words, underemployment appears to be a significant, although undermeasured, feature of the experience of many Australian women. This last point about underemployment I think is quite important, because it goes to the heart of questions about whether women themselves want to work more, whether the prospective changes in the economy that we are mapping out are likely in fact to benefit women and whether changes in women's involvement in paid work should be supported by the government.

I want to tell you about the results of some qualitative research that our unit has done recently. This research basically tells us that the answer to all of those questions is yes. What we did with this research was conduct focus group interviews with women from across the Perth metropolitan area, and the results of that research tell us very clearly that a broad cross-section of Australian women want to either start participating in the labour market or re-enter the labour market or they want to increase their hours of part-time work. In some cases, involvement in work is seen as having the potential to ease the family's financial stress. In many other cases—and this is probably a stronger theme for most focus groups—paid work is seen as a way of avoiding social isolation, of gaining financial independence, of making a financial contribution to the family, of using skills that have been acquired through long periods of education and through periods of work force experience and of helping to ease the pressure on partners.

We are identifying that there are a lot of women saying, 'I'd like to work,' but now we want to ask the question whether this desire to work is being facilitated by current government policies. Here, alas, I think the answer has to be no. A very large number of the women we interviewed—and we are talking here of partnered women in fairly traditional relationships having children—reported that they are financially unable to get involved in paid work or to increase their part-time working hours. I have come up with the term 'the housetrap', which seems to describe the

situation of a lot of these women. A lot of the women are reporting that they feel stuck at home for longer than they want to be each week. They are often reporting disturbing levels of social isolation. The social networks outside work are often very poor, especially in the outlying suburbs of cities such as Perth. In many cases this isolation is compounded by the fact that their partners are working very long hours in order to meet the family's financial needs. I think the experience of these women is not uncommon: they are fairly representative of women in the country.

What are these financial barriers? The financial barriers to the involvement of women in the paid work force that are reported by these women are most commonly associated with the current structure of wages and, in particular, the interplay between income tax, welfare payments, child-care costs and subsidies and, in some cases, child support arrangements. The women in the groups that we surveyed told the familiar story of extremely high effective marginal tax rates which, together with their concerns over the quality of child-care facilities, tended to make working an infeasible choice.

One interesting additional feature of the evidence from these focus groups is that women's relatively low wages also contribute to the disincentives to their participation in paid work. Many women commented that within their families it made sense for their partners to keep working long hours while they stayed at home, because their partners' wages were so much better. Of course, within the family you can say that makes good economic sense, but I think it really seems to highlight that there are ongoing negative effects on women's wellbeing associated with their relatively low wages.

A further feature of the evidence that we have gathered is that most of the women in the groups that we spoke to did not talk about the unequal division of unpaid household work as a barrier to their participation or greater involvement in paid work, although we gave this some role in our original submission to the inquiry. What was interesting was that in the focus group many of the women spoke of their desire, apparently shared by their partners, to achieve a more equal division of caring roles in the family, expressing that their partners wanted to become more involved with the family and the caring for children, in particular. However, what seemed to be happening in these families is that the men were not able to take on a greater role within the family because there were these barriers to their partner's involvement in paid work. I am basically telling the story of men needing to work very long hours in order to provide financial support because their partners are not able to increase their own involvement in paid work.

Drawing all this together, the main points we want to make to the committee are, firstly, we believe the current approaches to the issue of demographic change and the impacts of ageing on the future labour market are, to a significant degree, gender blind. We do not see the role that women will play in determining the country's economic and social response to the critical issues associated with demographic change and ageing being reflected in the current policy debate or in current policy initiatives. We also argue strongly that if the government does not take steps to facilitate a greater involvement of women, especially women with children, in the paid work force then it risks the country's economic and social future. In our submission we argue specifically that there will be more jobs available for what we call prime age women in coming decades. However, unless involvement in paid work by these women is affordable and supported by government, there are a couple of disturbing possibilities. The first of these is that women, especially those who have invested large amounts in their education, will choose not to have

children. We are basically spelling out a policy environment where it stays very difficult to combine work and family, so the sacrifice tends to be not to have a family. A lot of the young women I meet in my time at the university tell me that they cannot imagine having children or not for a long time. That is how they are going to resolve the conflict between work and family. Another possibility, if there are not greater steps to facilitate the involvement of women with children in the paid work force, is that many women will remain economically and socially marginalised. In both cases I think the case for policy action to improve women's labour force participation is very clear.

CHAIR—Thank you, Professor Austen. Dr Giles, do you want to make any comments?

Dr Giles—I have a couple of comments. The issues can be defined at both the macro-economy level and the level of micro-economics. Improving employment, improving labour supply and improving the matching of labour demand and labour supply into the future will require management by the federal and state governments so that there is strong economic growth. At the micro level, labour market deregulation and family policies, child care as a tax deduction perhaps and flexible child-care hours are things that will enable women to put their hand up for more work and for flexible work. The service industries, as Siobhan pointed out, is especially where the growth is and where women are prepared to work. In the areas of welfare and tax reform, there are a lot of policies, and we have a potential to try and encourage women's greater labour force participation and to encourage those who are working to increase their hours.

Australia is not alone in these dilemmas; other countries are also faced with ageing populations and the squeeze between labour supply and labour demand. I have just got back from Singapore and the papers are full of—apart from families being asked to procreate—youth unemployment issues and the high labour demand into the future and where they are going to find more workers. But I do not think we can translate policy initiatives directly from other countries to Australia. We need to be aware that we have an industrial relations framework that has a long history and we have cultural and other infrastructure that we need to work within. We cannot just take a policy from Scandinavia and sit it within the Australian framework, but we can be mindful of what they are doing overseas.

CHAIR—Thank you, Dr Giles. Thank you for your submission. I thought it was excellent. We have not had a submission that looks at the gender issue up until now. We have certainly had the demographic issues and we have had disability versus fully-abled participation levels, but not from the point of view that you presented. It is fantastic that there is that contribution to our considerations, so thank you for that. There are a lot of questions that emerge from this. Some go to the methodology of your research, but I do not want to get into that because you will probably totally snow me with the information. The proposition you are making is that there is this pool of ready and available labour right now but that we have some barriers. Firstly, we do not recognise it is there and, secondly, there are barriers to utilising it, whether it be government through policies, whether it be through industrial relations regulations, whatever it may be. The question that comes to mind is that in your paper—and you referred to this earlier on in terms of your qualitative research—you say about 34 per cent of women between the ages of 25 and 54 are 'non-employed'—which is the term you use, as opposed to 'unemployed'—compared to somewhere around 15 per cent for the same cohort in the male category. Your qualitative

research says a lot of those women want to work, but you do not have any quantitative data on that, do you?

Prof. Austen—No.

CHAIR—Thirty-four per cent is pretty high. I am wondering about those women who deliberately choose to stay at home, for whatever reason—it might only be for a period of time—and there is a willingness to drop out of participating. Those women make up what kind of percentage? Are we really looking at more than a double figure, or is it coming back to more of an even mix?

Prof. Austen—I do think this is something that has to be teased out a bit more. The ABS does measure issues of underemployment, and that would probably be the first place we would go to start investigating the degree to which the women who are represented in that 35 per cent figure are interested in taking up more work. You would need to look first of all at the ABS collections, which would be survey collections, which ask people such as women with children whether or not they want to work and to what degree they want to work. The other insight that you can gain is by doing the international comparison. To some degree you have to recognise that there is a particular mind-set in Australia and amongst Australian women about what is possible in terms of increasing their involvement in paid work and whether or not they can in fact become engaged in paid work.

CHAIR—But an international comparison is only going to give you a comparison on raw data statistics. I think you said, Dr Giles, that there are cultural differences between countries. I am not sure whether or not there are other forces there which are encouraging them to participate in the work force compared to Australia. It just seems to me 34 per cent is a very large figure. That is one-third of the female population—

Prof. Austen—In that age range.

CHAIR—you are saying is non-employed and therefore we could tap into. My comment is that there would be a significant proportion who, no matter what we do, do not want to participate.

Prof. Austen—Yes.

CHAIR—But we cannot put our finger on what that figure is.

Dr Giles—If you expect gender balance, then perhaps that 35 per cent should be 15 per cent. That is a crude way of saying that there are so many percentage points that probably would, if you do away with gender differences.

CHAIR—The other one which goes to the gender comparison is still the hours of work: the ability to increase hours in the work force is with the female population for different types of industry sectors—the less capital intensive and the less labour intensive. Perhaps you could say that labour-saving technologies are not going to be of great use in some of these sectors. You have touched on but not really talked about the changing role of men in the work force as well. The nature and structure of work has affected both genders.

Prof. Austen—That is quite true.

CHAIR—We are finding that, as work forces change to casualisation and part-time contract work, men are as attracted to that as anyone else. Your latest figures are from 1997 about the changes in men's roles. That is seven years ago. I would say that there has been quite a cultural shift amongst men as well.

Prof. Austen—I think you are referring there to the time use surveys. One of the greatest concerns amongst feminist researchers at the moment is that it is on the cards, if it has not in fact been implemented, for the ABS's surveys of time use to be suspended. For sure, the data is out of date, but if the agencies are not collecting the information then it really creates these sorts of barriers to out the sort of research that we can do. Just picking up on that observation you made about part-time work and it becoming more a feature of men's employment in recent years, I totally agree and that is one of the reasons we encourage further research on the issues of part-time work. I think a lot of what women have experienced—positives and negatives—out of part-time work is becoming increasingly important to understand in men's working experiences.

Dr Giles—And it is not just moving from full-time, long-hour work for men and women to part-time work; it is the multijobbing, multiple job holding, or moonlighting as they used to call it. Men and women sometimes—and it is still a minority—have a full-time workload but it is for two or three different employers. We may be seeing more of that, but the changes for men that were anticipated 20 or 30 years ago—the 'Mr Mum' phenomenon and things like that—have not happened and we do not see men opting out to rear children, or very few do. The situations are still different for men and women in the work force.

CHAIR—Are we doing a counterbalance, though? If men are going to drop out a little bit more and take on greater responsibility for household duties, so women's duties come down, aren't they just simply countering each other in terms of the available labour in the work force?

Prof. Austen—That is an interesting one.

CHAIR—You only have a defined quantity of time that both can give. If one is giving 80 per cent and the other one is only giving 20 per cent to the family, and they even out—

Dr Giles—Then they are no better off.

CHAIR—No better off.

Prof. Austen—Are you?

CHAIR—In terms of participation rates.

Prof. Austen—Yes, in terms of participation, but in terms of effective labour the whole idea of diminishing returns would suggest that you are going to get more productive labour by not pushing one person's labour out to the extreme. Instead of pushing one person's labour out to the extreme, you can have that person working only 50 hours a week and having another person making a contribution for a further 20 hours a week.

Dr Giles—It is not just about putting the effort into the labour market; it is about using the skills that you are trained for and the experience and background that you have, making a contribution, self-esteem and all of those sorts of things.

Prof. Austen—Yes.

CHAIR—I understand that.

Mr BRENDAN O'CONNOR—I would like to reinforce the view that this is a very important submission because it not only adds to the submissions but builds upon the issue of demographic change, and so I certainly thank both of you for being able to do that. I will go to a number of things you raised in the submission. You use Canada as a benchmark, and that seems to be reasonable, I suppose, in that we are very similar nations in many respects. They are very telling figures. You talk about a lower proportion of women in full-time work. You give age groups and in every age group that you mention there was a significant decrease in women participating in the work force.

Prof. Austen—Yes. It is not necessarily full-time work.

Mr BRENDAN O'CONNOR—Participation in the work force overall. You make the comment that with part-time work there is a very wide gap. In fact, I think you said that almost double the amount of women in the Australian economy are working part time compared with Canadian women in the work force. Is there a higher proportion of part-time work in Australia compared with Canada or is the proportion of part-time work in Canada similar to the part-time work here? Clearly, that would have an impact.

Prof. Austen—If you look at the comparison between men in Canada and men in Australia, the rates of part-time work are very similar, so the differences lie almost entirely in women's involvement in part-time work. The fact that women's involvement in part-time work is so much higher in Australia than in Canada must mean that part-time work is a more significant feature of the labour market generally in Australia than it is in Canada.

Mr BRENDAN O'CONNOR—When you compare men in the two work forces they are much closer together. Is that right?

Prof. Austen—Very similar, yes.

Mr BRENDAN O'CONNOR—It is not that there are twice as many people in part-time work in Australia. That would explain why women here would be working twice as often in part-time work. It is not to do with that at all.

Prof. Austen—As I said before, you would find, if you looked at the aggregate figures of part-time work, that it is a more significant feature of the Australian labour market. The real difference between the two countries lies in the fact that that work is taken up so much by women in Australia. It is not such an important feature of women's involvement in the paid work force in Canada. We can provide you with some figures that we have compiled.

Mr BRENDAN O'CONNOR—Yes, if that is possible, to just expand on those comments that you have made.

Prof. Austen—Yes.

Mr BRENDAN O'CONNOR—I do think methodology is important and, again, it was raised by the chair. You talk about having focus groups—trying to get a general attitude of women who are in the work force but would like to participate more or of women who are not in the work force.

Prof. Austen—Yes.

Mr BRENDAN O'CONNOR—How was that undertaken so that your contentions were formed?

Prof. Austen—That is a good question. Something that gives strength to these qualitative findings is the fact that that particular piece of research that I am referring to was not created with the object of exploring these barriers to participation. Those comments came from these women in the focus groups when they were asked to discuss general issues to do with their economic and social wellbeing. We were talking to these women about the sources of progress in their life, the satisfaction with their life; what they perceived as barriers to their wellbeing. Even in the context of that very broad discussion with women, it was the issues about work and a desire to become more involved in work and a sense of being isolated when they could not be involved in work that came up. In terms of methodology, it is interesting that those results were not in any way created by a set of questions. They were something that were volunteered by the women in a very broad context.

Mr BRENDAN O'CONNOR—Are you able to delineate the social motivation behind the women wanting to participate more fully in the workplace, or to participate in the paid work force, from the economic motivation? I know people have to work—men or women—for economic need. That drives people to work. If they could work out that there was a net value in their going to work, that would certainly be a predominant reason for going to work. But are you able in any way to isolate things that go beyond the economic or is it too difficult? Is it part of a group of reasons and it is too hard to say, 'Well, this proportion in general are likely to want to go in and the economic reason is not the prime reason; it's the secondary reason'?

Dr Giles—I could make some assumptions, looking at the age of children and partner's occupation, to say, 'Well, they must be in it not for the money, or want to go in but not for the money,' because they are going to have to face all these child-care issues and things like that.

Prof. Austen—It tends to be quite complex. When you do qualitative research, it is quite difficult to start putting proportions on the results that you get. What I found particularly interesting was that, with our research, we focused on women living in suburbs in Perth that are typically associated with economic hardship. As a comparison, we focused on women in suburbs that are typically associated with economic privilege. We looked at that contrast and, speaking to the women in the suburbs where economic hardship is a greater feature of the experience, the economic need to work, as you would expect, tends to figure very large.

Mr BRENDAN O'CONNOR—The work is less fulfilling and more onerous.

Prof. Austen—Yes, that is right.

Mr BRENDAN O'CONNOR—You are not jumping out of bed saying, 'Can't wait to get to the factory.'

Prof. Austen—That is right. Work just had what I call an instrumental value; it provided the ability for these women to be able to afford the school fees, to be able to afford the school uniform for the child and to put food on the table. Some of the stories of the extreme circumstances that were being described and of the importance of work were very distressing. For women in a lot of the other areas, a very common story was that they were not seeking improvements in material wellbeing because they did not see that as the source of their life satisfaction, but a lot of the women spoke of the fact that they had done a degree, they had skills and they wanted to make a contribution and they wanted to be actively involved in their society or their community. For those reasons they would prefer to do more work. Their motivations tended to be broader and different. I do think that the issues of poverty and inequality within our community must be understood as part of this whole story.

Mr RANDALL—I have two issues. Unless I am incorrect and read you wrongly, women tend to enjoy flexibility more in their employment because it gives them the opportunity to have greater contact time with children and to deal with family issues.

Prof. Austen—Yes.

Mr RANDALL—Does that then extrapolate into the fact that they enjoy the opportunity for casualisation of the work force more?

Prof. Austen—That is an interesting question. First of all, women take jobs, if they are casual jobs, and even if they are low-paid jobs, in order to find a way of earning some income or being involved in paid work and accommodating the needs of their families. But there is another thing that needs to be recognised in the context of casualisation, I think. What is important for the future, and whether or not people are able to balance work and family and whether or not women are able to contemplate being involved in paid work and still have children successfully and happily, is that they and their partners need to have a sense of employment security. You cannot take on work and feel comfortable about being in work when you have a family if you feel that, if you dare to put up your hand for your child's sickness or you dare to make a phone call to respond to your child's needs, you are going to lose your job.

I do think the issue of casualisation and how it relates to women's involvement in paid work has two sides to it. Sure, casual work has some advantages in flexibility, about the timing and numbers of hours of work, but there is the downside in the sense that if it is associated with employment and security—and you have to understand that casualisation affects men and women—it creates other sets of dilemmas about involvement in paid work.

Mr RANDALL—Going down the industrial relations route, negotiating at a workplace level for a more formal casual arrangement in that workplace would be opportune. You negotiate a

workplace agreement which allows flexibility in the employment. That is a more desired outcome.

Prof. Austen—Yes. Other research that is done by organisations such as ACCIRT, which is a centre of research based at the University of Sydney, emphasises something known as time subtlety. It emphasises that an ideal world would be a world where workers were able to negotiate with their employer for some ability to control or to have a set of hours of work that still saw the needs of the job being fulfilled but gave them an ability to start at a slightly different time or finish at a different time or have some time off in the middle of the day.

Mr RANDALL—That is what I am saying: a negotiated workplace agreement.

Prof. Austen—Yes. Whether or not people have the bargaining power to achieve that is another issue.

Mr RANDALL—That is what you negotiate up-front obviously. I will not take that any further, because what I am talking about in terms of flexibility in the work force, which you alluded to, is obvious. You touched briefly on the disadvantaged suburbs and the more affluent suburbs. We are talking about lower socioeconomic and higher socioeconomic areas of Perth. You have suggested there is a difference in attitude and application between those two groups, which I take on board. Did you look at migrant workers?

Prof. Austen—No. Very much the groups of women that we spoke to were typically Anglo-Saxon. They were not from particular ethnic minorities. We tend to speak to Aboriginal women in those surveys.

CHAIR—Professor, you do question whether immigration itself can be used to overcome some of the participation-level constraints that we have. You make that observation.

Prof. Austen—Yes. In our submission we draw on the work of Peter McDonald in particular and the analysis that has been provided by those researches—that changing Australia's level of immigration will not, of itself, address the problems that have been identified with ageing.

CHAIR—I think that has been pretty well recognised all over the place, and your anecdote about Singapore illustrates as well that this is a phenomenon that is taking place right around the world.

Dr Giles—Yes. In regard to labour shortage being addressed by immigration, even with our skilled migration program, the skilled workers coming in do not necessarily fall into those jobs where there are shortages. They have to reskill or reregister and things like that. It is not as easy as saying, 'There's a shortage.'

CHAIR—But this is not a problem with immigration itself. It could be a problem of recognition of prior learning and NOOSR, the National Office of Overseas Skills Recognition.

Dr Giles—The choice of applicants coming in, yes.

CHAIR—That is a limitation, rather than immigration itself. Professor, in your submission you note that the debate has been totally dominated by the demographic changes that are taking place and comment on how to encourage older workers into the work force. You made the observation that perhaps there has been an overemphasis on trying to get older workers in there and you identify some constraints or limitations, one of which is that the government retirement policy itself may not provide the incentive for workers, and also that the change in lifetime employment creates a barrier to getting older workers to remain in the work force. Can you elaborate on that? I am not sure that I can agree with that. I think there is some early evidence to say that those things are no longer barriers.

Prof. Austen—The main point that we wanted to highlight was that we saw, as you have just recognised, that all of the policy discussions were about older workers. It reflects a hope that older workers' participation will rise and that this will provide some sort of solution to the issues created by demographic change. Our main thesis is that, sure, you can look at older workers' participation rates rising but why not also look at other sources of labour supply, in particular women's participation rates. The issue of older workers' participation is not our area of expertise directly, so we are really reflecting the discussion that is within the research community, and that discussion highlights concerns about whether or not it is going to be possible for participation rates amongst older workers to rise.

CHAIR—On page 26 you say:

... Quiggin (2001) asserts that the decline in the institution of life time employment and the increased use of redundancies as a tool of labour market adjustment are undermining the employment chances of older Australians.

I do not see that at all. What I think is happening is that a lot of older Australians are also moving into part-time employment. The whole sea change phenomenon taking place in our community is about that as well: moving away from being tied to one organisation and perhaps having, as we mentioned before, portfolio jobs with one or two companies and doing something totally different.

Dr Giles—It is not pervasive. It is not everywhere.

CHAIR—We are only seeing the start of it, surely. Isn't this the start of the wave?

Mr BRENDAN O'CONNOR—It's a good show on the ABC, I suppose!

Prof. Austen—I hate to share anecdotes, but taxi drivers are always good. I ended up almost thinking the taxi driver was going to start crying as I was coming back to Sydney airport the other day. He had the classic experience of being made redundant when he was 45. He had no possibility of finding full-time work, so he ended up working as a taxi driver. His real desire, I think, was to be able to find a transition into retirement by the time he was 60. Sure, he might end up having to keep on working as a taxi driver, because income support from the government will not be there—

CHAIR—I agree with you. There were mass redundancies in the late eighties and in the nineties. I was part of two multinational organisations and I saw an organisation go from 20,000 employees down to 6,000 in the space of three months. A lot of that was taking place, and it put

a lot of people in that age category who wanted full-time jobs into unemployment queues. My observation is more about what is taking place now in 2004. In the last couple of years there has been perhaps a voluntary shift to move away from that kind of employment and people are willingly taking on redundancies and moving to those sorts of jobs. I am not sure how much of a barrier it is.

Prof. Austen—It is not something that I can comment on.

CHAIR—The redundancies that we saw back then were mainly in those labour intensive industries where capital equipment moved in, such as the manufacturing sector. One could say that perhaps we have reached that threshold where we have gone as far as we can in terms of mass redundancies.

Dr Giles—We have a history of expectation that we retire at 65, and women's retirement age has moved back to 65 as well.

CHAIR—I am not sure about Western Australia, but in Victoria school principals are retiring at 54 years and 11 months. They are experienced people. They have a job, and they are retiring in droves.

Dr Giles—Because they can afford to.

CHAIR—It is the incentive of redundancy, but they do not end up unemployed. A lot of them end up taking another job. The last question I have is on the issue of graduates. You say that there is a greater percentage of women now graduating with bachelor degrees than men. How do they stack up in terms of raw numbers? Are they still heavily weighted towards men? You talk about percentage increases.

Prof. Austen—We see more women than men now having bachelor degrees.

CHAIR—You raised a concern earlier on about women being underpaid and the poverty trap. What is your view about the next five or 10 years if we have more and more women out there who have qualifications and skills? Isn't that going to counter that concern?

Prof. Austen—Not necessarily, because it depends on the sorts of fields in which women have qualifications. A bachelor degree does not deliver a uniform level of economic return. A whole range of studies has identified that the rates of return for dollars spent on higher education are still lower for women than they are for men. Sure, more women are going to have degrees, and this will contribute to their earnings potential, but it will also increase their wanting to become involved and stay involved in the paid work force. I would definitely hope that it will contribute to women's earnings outcomes improving relative to men's. I think, however, that that is something that governments should not rely on. I think it is something that governments need to continue to monitor and take action on, to ensure that the types of fields that women move into are at least as well rewarded as the types of fields that men move into.

Mr RANDALL—How do governments do that?

Prof. Austen—Governments in a range of states are pursuing pay equity inquiries—for example, there is one being held in Western Australia at the moment—addressing systematic barriers to the proper remuneration of women’s work.

Mr RANDALL—Isn’t that more marketplace driven rather than government legislation driven?

Prof. Austen—Governments at various times have taken important action to ensure that women—

Mr RANDALL—Affirmative action for women?

Prof. Austen—Affirmative action, equal pay of equal worth and so forth, yes. Governments do play, and have played, an important role.

CHAIR—Are there any particular industries or models that we should be looking at where what you are saying is actually happening and working well here in Australia?

Prof. Austen—In facilitating women’s involvement?

CHAIR—Yes.

Prof. Austen—I would have to get back to you on that. I cannot think of any strong case studies.

CHAIR—You refer to certain industry sectors that are more attractive to women in the work force. Are there organisations within those sectors about which you can say, ‘They are really doing a great job and they should be used as a role model because they have started removing some of the barriers’? I would have thought finance would be one, but your figures show that in the finance sector it is dropping. That is one of the few areas where there is a drop taking place.

Prof. Austen—It is something we would have to come back to you about. I would be a bit reluctant at today’s meeting to nominate particular employers as the exemplars.

CHAIR—The greatest employment growth between 1984 and 2002 in your figures is in property and business services, with a 166 per cent increase, and accommodation, cafes and restaurants, with a 106 per cent increase. Those are huge increases. I know this is perhaps offering a judgment here, but it seems to me that in those two industries you are probably looking at businesses where there is a lot of individual employment as well, particularly business services.

Prof. Austen—You are interested in the potential role that self-employment has for encouraging involvement?

CHAIR—Yes.

Prof. Austen—I think that is quite valid.

CHAIR—Thank you very much for your time. I have marked about 25 pages of questions, but I cannot get through them all. Thank you for your submission. If there are any other questions that we have, we will get back to you.

Prof. Austen—We are more than happy to answer those.

[10.42 a.m.]

ALEXANDER, Ms Hope, Co-Convenor, Women's Electoral Lobby (WA)

NAUMANN, Ms Rhonda Meryl, Co-Convenor, Chair of Accommodation Committee and Trainer, Women's Electoral Lobby (WA)

CHAIR—We welcome the Women's Electoral Lobby. Have you a preliminary comment you would like to make?

Ms Naumann—Yes. I am reasonably new to WA—two years here and one year back in South Australia. Most of my work history is in South Australia, but we are talking to a submission that was put through the CEDAW report—the inquiry on women and superannuation and women in prisons—and we have some additional information we would like to give.

CHAIR—Thank you for meeting with us today. The proceedings here today are formal proceedings of parliament and, although the committee does not require witnesses to give evidence under oath, you should understand these hearings are legal proceedings of parliament and warrant the same respect as parliament itself. Giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. We do prefer that all evidence be given in public, but if at any stage you should wish to give evidence in private please ask to do so and we will consider your request. Would you like to make some preliminary comments on the issues that are pertinent to this committee and then we will move to general questions and discussion?

Ms Alexander—Yes. Being volunteers, we had a very short lead-in time to get our submission ready. We had sent some in to the shadow report on the Convention on the Elimination of All Forms of Discrimination Against Women, and one of them was about women and superannuation. I think you have a copy of that.

CHAIR—Yes.

Ms Alexander—The other one was about women in prisons, particularly Indigenous women—there was a little bit about their unemployment—and we have given the committee a copy of another piece where we have some interesting case studies. We also have some data about women in the workplace in Western Australia, a document prepared by the Department for Community Development, Office for Women's Policy, published here in March 2004, so the information and research data is, we think, fairly accurate and up to date.

CHAIR—Thank you. Would you like to make some opening comments?

Ms Alexander—Yes. I notice you had evidence before from the people from the Women's Economic Policy Analysis Unit and there was mention of casualisation being flexible. For some of us, that is sweet, but I will spell out some of the disadvantages of being a casual worker, particularly for a woman. It means you cannot get a mortgage and, in many cases, you have a very difficult time getting your ordinary pay from week to week. I work in an adult education

institution and it is a common policy for them to pay their casuals sometimes three weeks in advance. About six years ago I was a casual in TAFE and I asked for my money and they told a friend of mine, who was another lecturer, to tell me I was not wanted and not to come back, simply because I asked for money that had been owing to me for eight weeks.

You may understand that many people, particularly in casual work, are also on Centrelink benefits and are required by law to declare earnings. If I declare earnings and my boss does not pay me, there is a shortfall, and this means a difficulty in paying even ordinary bills. With casual work, there is very little super. I have about \$3,000 after working for about 10 years and each year it goes down because the management fees are eating it away. As I said, there is no security. We are treated as second-class employees. I am lucky in my situation: I get staff training because I keep asking for it. Many casual workers are not aware that they are supposed to get at least two or three hours of staff training a year. In one institution where I was working, when I asked for my money they said, 'We can't pay you as a casual because there are 600 casuals,' and I said, 'How are we supposed to live?' That is one institution alone with 600 casuals who are not being paid at the end of the fortnight. I asked some of the other people, the women particularly, 'Why do you not make a fuss?' They did not answer and I assumed, like me, they do not complain because they will never work again. I have been a casual in adult education for 10 years.

Mr RANDALL—Are you saying these are all women?

Ms Alexander—Generally women. I tried to get the latest figures from the teachers union. It was not possible, but a large proportion of the casual TAFE lecturers are women; some of them are men. Many of these women have children and are on supporting mothers benefit, or they are on pensions like me or on other Centrelink benefits. We are not able to do anything about it. The women are like me: I get very frightened and nervous sometimes telling people, but only yesterday there was an email at the workplace to say that they have gone back to paying me a week in arrears. I said, 'I need the money.' I am down to working three hours a week. This is what I believe Centrelink would call 'employed'—even if you are working one hour a week. You may correct me if I am wrong. I am classed as three hours a week on top of a pension that does not give me any sort of standard of living.

It was also said by a person from the Chamber of Commerce at the casualisation forum we had here in WA a few years ago, 'But casual workers are unskilled; they are this, they are that and the other.' I am doing my fifth tertiary qualification and I am a trained teacher, but my New Zealand qualifications are not recognised. I have a Bachelor of Arts, I have two graduate diplomas and now I am doing a masters in public health, thanks to the PEL Scheme. In the TAFE system many of these casuals, whom I know, are extremely well skilled, educated and can do the job very well, but we are not given a chance.

There was a piece about older workers, in which I was very interested—in fact, I nearly laughed out loud because many women come to WEL and speak to us and I do not actually know of any women who have been able to choose to get out and go into this other employment and get jobs. I am glad you are smiling. I have not had a permanent job that was permanent part time for 22 years. I am one that speaks out; there are many others. We call them the discouraged job seekers. You have probably heard that. They are women—and men, too, but we mainly focus on women—who do not try to get a job because, first of all, there are not many out there, and if you have been out of work for a while everybody knows that they look at you and think, 'She's

past her use-by date.’ If you have qualifications they say, ‘Oh, you’re overqualified,’ or, ‘You haven’t had the experience,’ or, ‘You haven’t been in the industry.’ Some of us, like Rhonda and me, because we are unemployed, do all this volunteer work—which is very skilled work—but we get no credit for it. At one stage when I was studying I had three casual jobs, running around trying to do things. I was on Austudy, but that was not enough to live on, and I cannot afford my own home because my marriage broke down about 10 years ago and the little bit of money I got could not buy me a new place and I cannot get a mortgage.

CHAIR—Ms Alexander, you are giving us a lot of personal testimony.

Ms Alexander—I am sorry.

CHAIR—I am disappointed to hear of your difficulties in getting a job and your treatment, and that is important to us, but your submission was very much in the area of superannuation and the inability of superannuation to meet women’s retirement expectations. Do you want to talk to the submission?

Ms Naumann—Could I?

CHAIR—Rhonda, you are going to do it.

Ms Naumann—That piece on superannuation was done by another of our members and I am not too familiar with it.

CHAIR—That is relevant to our inquiry.

Ms Naumann—Superannuation is an issue for women, not only the rate—compared with men—of superannuation but actually getting permanent jobs in the first place where you can contribute to superannuation. Casualisation of the work force has an effect there. I worked for over 25 years with PMG-Telecom-Telstra and when I was made redundant in October 2002, after dodging redundancy successfully three times—I had 13 years of contributory service—because of women’s issues in employment, having to resign to take care of my son and not having transportability of superannuation. My ex-husband, on the other hand, has over 30 years of contributory service and he has barely two or three years longer in the work force than I have—and that is because of his age; he is a little bit older than me. Those issues matter to women when you are down to 75 per cent of men’s superannuation at retirement—if you have managed to have contributory superannuation. That has a large impact on lifestyle, especially when many women also raise children, with or without maintenance from their partners, or the children’s fathers, which also adds a burden to lifestyle. Superannuation for me personally is a big issue, and I know a lot of other women have similar experiences.

The other issue in our submission, if you would like to hear about it, is about Aboriginal women. Aboriginal women are hugely overrepresented in the criminal justice system in WA. A big issue, from the justice system’s own study into that, was retention rates at school, even to 14 or 15 years of age. These young Aboriginal women—more so in the rural, remote and regional areas—are not staying at school beyond the age of 14 or 15. There is very little employment opportunity for them when they leave school anyway—very little opportunity anywhere, in any sort of work—so, unfortunately, they have no life. They drift into drugs and crime—not all of

them, but from the stats that the justice system did, which is in our submission, they drift into a cycle of drug use, and crime to support that. There is domestic violence, supporting children, supporting parents—a very low lifestyle. There are no opportunities. They want to stay in their home area; they want to stay close to their families. Like all of us, they need to belong and they need to be where they belong.

CHAIR—Keeping it in context, a lot of the issues you raise are very important social issues and there is no question about that. There is a plethora of state and federal government inquiries from time to time tackling some of the issues you have raised. I have to be very single-minded here, unfortunately, because we have an inquiry on a specific topic; otherwise, we can find ourselves straying. This inquiry is on increasing worker participation levels.

Ms Naumann—Okay.

CHAIR—You have identified some of the problems. Can you now identify perhaps some of WEL's recommendations in those two areas.

Ms Naumann—Certainly. Younger women do want to participate in the work force, especially with affordable mortgages. First entry to homes is a big issue. You have some keen young women ready to participate. Issues for them are paid maternity leave: if they are working, when can they have their children and return to work—seamless return to work after having their children. Affordable and accessible child care is still not freely available out there in a lot of areas. Family friendly workplaces very rarely exist.

CHAIR—There are some good examples.

Ms Naumann—There are some good examples but, unfortunately, they are very rare. There is also the cost of child care and we have a couple of case studies of young women here talking about that. The other thing is the inflexibility of the Centrelink system. There is the example of two parents working and getting some child-care rebates. One of them got a bill for \$1,500 because of the inflexibility of Centrelink—\$1,500 in one financial year—even though they consistently called in changes of income. It appears that it takes a while for these changes to come into effect on the Centrelink system. This year they have not put down for the family tax benefit part B and the child-care benefit so that they do not get caught with a bill at the end. They are young women's issues.

Older women's issues are restructuring of industry and redundancies. I am personally a victim of that. I also have contact with a lot of peers, ex-Telstra, who are still seeking work and are only managing to get casual or self-employment opportunities very much below the level of what they had in Telstra.

Casualisation of the work force is taking away hard-fought and hard-won union rights. Casual workers have very little access to paid leave and to training—all of those other issues that casual workers have very little access to that should be there. There is also the factor of fear—what will happen if they put their hand up and say, 'This isn't fair.' There are also ageist employers. I believe that personally I am not getting a look-in at jobs because of my disability and my age. I am well skilled and well experienced, but I am not getting an opportunity to do even the cheaper jobs. The Aboriginal women's issues, as I have talked about, are the retention beyond the age of

14 or 15 in the education system and the opportunity to gain that first job and to start building a lifestyle.

Mr BRENDAN O'CONNOR—You raised concerns about superannuation and, in broad terms, the way it affects men and women differently. I presume you are saying that stems from the way in which the work force operates in favour of men. That is your contention, I suppose. If there are inherent inequities in the superannuation area, how would you suggest that government involve itself in rectifying those inequities? I heard you say that it was not your particular problem.

Ms Naumann—No. A suggestion for an improvement?

Mr BRENDAN O'CONNOR—Yes, or do you have to tackle the whole question of super?

Ms Naumann—Super is generally tied to income and women are behind in that in WA. The gender pay gap is larger than the national average. This is from the *Women's report card*. Women receive 77 per cent of men's average weekly earnings, which is 23 percentage points. Nationally, women receive 85.1. In WA we are further behind the eight ball—another seven or eight percentage points. That is the start of it.

Mr BRENDAN O'CONNOR—Why is that?

Ms Naumann—Who knows? There are other issues in WA. They are generally a bit more sexist and chauvinist than other states have been. I say this from personal experience of living in Adelaide for 25 years or more and working in Adelaide. I am shocked at the aggression and chauvinism that exists in the culture in WA. That is a personal opinion.

Mr RANDALL—That is anecdotal, isn't it?

Ms Naumann—There is data here to prove it.

Ms Alexander—We are making this copy available. It is acknowledged. You would know, because you are a Western Australian.

Mr RANDALL—I hope I am not a chauvinist.

Ms Alexander—We are not suggesting you are. Some people say it is because of the mining.

Ms Naumann—I suspect it may be because of the mining—the 'way out west'. The men fly in, fly out of the remote towns, and it is a man's country out there. When they come to town, to the city, they have a lot of money to spend and they want to drive fast cars and have a bit of fun and a bit of sex and then go back out bush with their blokes—work hard and drink hard and play hard. I do not know.

CHAIR—Sounds like the Wild West.

Ms Naumann—It is a bit like that.

Mr RANDALL—It would make a good movie!

CHAIR—To follow up on the superannuation questions that were raised by Brendan, I accept that up until recently there has been a discrepancy between males and females in superannuation contributions—the availability of funds et cetera—but a change has taken place in Australia and the government has introduced choice of funds, portability of funds. Some of the comments you make are about that. You mention about fees eating away into your funds.

Ms Alexander—Yes, that is quite common.

CHAIR—You are moving from job to job and perhaps you have small funds. That has now been addressed.

Ms Naumann—Yes.

CHAIR—You have the ability to choose what fund you go into and for portability to take place. Is there any evidence that that has made some difference?

Ms Naumann—We are still in catch-up. Workers who are now entering the work force will get the benefits of those changes, but what happens to those who already have 10, 20 or 30 years of contributions?

CHAIR—I understand that. That is the history, and it is very hard for us to do anything about those who have been in the work force for the last 30 or 40 years.

Ms Alexander—There is another point, though. With the increasing rate of casualisation—that is why we are giving you these figures in the book—you will see that 58 per cent of all casual employees in WA are women. How are they going to have any sort of superannuation? It is the chicken and the egg. Unless we have proper jobs, you cannot have women or even men able to support themselves, because out of the money we earn as casuals we cannot have super, and we cannot add to it. People say, ‘Yes, add to it,’ but casualisation makes sure you are going to be in poverty for the rest of your life. That is the bottom line. Many women tell us that; it is not just personal.

Ms Naumann—The other issue is that women need to take time off work to have babies, at least three months around the birth of their child—that is, if they have the ability to go back to their employer and to have child care. What if you have a sick child and you need to have a year or two off, which I had? I had to resign from work and lost two months worth of long service leave because I was in year 7 under a Commonwealth award. That affected my super and my contribution, and I had to work as a casual and a temporary before I had an offer of permanency. That all affects your contribution rates and the super that you have at the end. In WA again, 48.7 per cent of employed women are employed part-time. That reduces the contribution rate.

CHAIR—Part-time employees do have access to superannuation.

Ms Naumann—Yes.

Mr BRENDAN O'CONNOR—The one concern that I have—and I do not want to make things longer than they have to be in this area—is that, because there has been an incorporation of compulsory super into society, which I think is now universally supported, and with the ageing population, it is more likely that there is going to be a decline in the capacity of governments to pay pensions at a certain level. The problem that I contemplate is that there are people—whether it is women as a group or any other particular group—who are going to rely more heavily on superannuation and, as a result, there might be people who will be worse off as that takes place.

I think everyone anticipates that there is going to be a decline of the pension in real terms, maybe 20 years down the track, and if there are winners and losers in the superannuation scheme because of the superannuation policies of a country then clearly that is a concern that has to be addressed by whichever government is in office at a state or federal level—and I include employers and employees in that. That is one of the issues. I am not saying that I agree with all of the assertions you have made in your submission, but you have brought to my attention that that is a problem.

Ms Naumann—Yes, it is.

Mr BRENDAN O'CONNOR—There can potentially be a problem if people rely less on government pensions and move to super, and there will be these people who have missed out on super. You are right about winners and losers: there are people who have benefited from superannuation, but they have only benefited for the last quarter of their work life. They may have already been through most of their working life when they received it.

Ms Alexander—Can I make a point there. The people who do have healthy super and other things are able to somehow manage it so they can get part-pensions as well. It is like double-dipping. It may sound unfair, but if they have a smart financial adviser they can arrange their superannuation, their money from redundancies or whatever, and still receive part-pensions.

Mr BRENDAN O'CONNOR—I am not sure about that. I can see that there is a real difficulty going from pensions to super and there are deficiencies in how super applies. That is a concern. But I presume there will still be means-tested pensions and people who have missed out will be protected more than those who have decent super. It is an issue. It is going to be an important issue as we shift from one to the other.

CHAIR—In your submission you refer to the need to hold public forums and seminars in order to inform women in particular about their planning for retirement. There are already quite a few of those sorts of things happening. There is a proliferation of financial planners.

Ms Alexander—Most of the women we know cannot afford them.

CHAIR—Companies hold seminars on a regular basis. But how is that going to help? If you are casualised, you are casualised. Seminars are not going to help, are they?

Ms Naumann—No. Again, I do not know that women are aware that super is good financial planning for their future. I am not sure how the younger women feel, but I do not think it even

comes onto their radar, let alone how poorly off they are compared with men, if they are in a super scheme.

CHAIR—That is young people generally, I can assure you.

Ms Naumann—I never thought about it when I was 18 or 20.

CHAIR—Neither do young men.

Mr BRENDAN O'CONNOR—Super was as far removed from my mind as anything else when I was a graduate.

CHAIR—Young people just do not.

Mr BRENDAN O'CONNOR—The 40s are so far away for them.

Ms Alexander—Yes.

CHAIR—The other thing that concerns me about your submission—a lot of it anecdotal—is the concern that you have of how women of your age cohort are affected. I accept that that is a problem because of past deficiencies. Has WEL done any work on the women coming through the system now—the 20- to 35-year-olds; young, perhaps professionals, graduates?

Ms Alexander—We have one here.

CHAIR—Were most of your concerns for the low-skilled, semiskilled older age group?

Ms Alexander—No. A lot of our members are very highly educated and skilled people. Case study No. 1 is a young woman who is 29. Her story is interesting. You do not have a copy yet, but she went into the IT industry, the first woman in that area. Her salary package was 25 per cent lower than the men. When we sent her a copy of our superannuation, she nearly had a nervous breakdown.

CHAIR—It was her salary package?

Ms Alexander—Yes.

Ms Naumann—The employer changed her designation and, compared to a male counterpart doing the same work and what used to be called the same name, she is now paid 25 per cent less than him.

CHAIR—That is a professional job?

Ms Naumann—As a professional IT industry worker.

Ms Alexander—Yes. She had been through university.

Ms Naumann—He has also had his salary reviews. Hers have been postponed, and she has been verbally told that any salary rise will be paltry and non-negotiable—‘been relayed to me on several occasions’. She is currently trying to get out of that employment.

CHAIR—It sounds like a hick company to do that.

Ms Alexander—She and her husband want to have another child, but they cannot afford two because of the juggling, and they rely on family child care too.

CHAIR—There are anecdotes there. You can always find anecdotes in any situation to show how someone has been disadvantaged. I was trying to look at it from the point of view of the research or body of work you as an organisation have done as a total cohort.

Ms Alexander—We have looked at some of the work that the Curtin Women’s Economic Policy Analysis Unit have done. We do not have any figures in front of us, but we are looking at women all over. The superannuation was a problem. The younger women—they are 29—have not thought about it. When we showed them our paper, they were horrified to think there was yet another hurdle. They had not actually thought about super. They are still trying to get over the question of, ‘Can we afford a baby? Can we afford a mortgage? There’s no paid maternity leave.’ We said, ‘Let’s look at this down the track.’ Super was quite a shock to them.

CHAIR—Paid maternity leave is one of the solutions; it is not the only solution.

Ms Alexander—No.

CHAIR—Ladies, thank you very much for coming in and for your submission. We may need to get back to you at some stage with some further questions and, if we do, we will give you a call.

Ms Alexander—Thank you very much for having us and listening to us.

[11.12 a.m.]

BERRY, Mr Mark, Vice-President, Building Service Contractors Association of Australia—WA Division (Inc.)

WESTOBY, Mr Ian, Executive Director, Building Service Contractors Association of Australia—WA Division (Inc.)

CHAIR—Welcome. Thank you for meeting with us today.

Mr Westoby—What was known as the Master Cleaners Guild is now formally known as the Building Service Contractors Association of Australia.

Mr BRENDAN O’CONNOR—Do you cover more than cleaners? Is that one of the reasons why you changed the name?

Mr Westoby—Yes.

Mr Berry—I am vice-president of the association. Ian is the paid executive officer. The executive is made up of voluntary members, who are people operating in that business.

CHAIR—The proceedings here today are formal proceedings of parliament and, although we do not require witnesses to give evidence under oath, you need to understand that these hearings are legal proceedings of parliament and warrant the same respect as proceedings of parliament itself. Giving false and misleading evidence is a serious matter and may be regarded as a contempt of parliament. The committee prefers that all evidence be given in public, but if at any stage you should wish to give evidence in private please ask to do so and we will consider your request. Would you like to make some opening comments? We will then launch into some general discussion.

Mr Westoby—I will give a brief outline. In this state, the Master Cleaners Guild has been around for 35 years. Basically, we represent the cleaning industry. That has changed as building services have moved into others areas, such as gardening and security.

Mr BRENDAN O’CONNOR—A lot of your members have moved from cleaning into other areas as well.

Mr Westoby—Yes. It is really a push from the client. The client is saying, ‘I don’t want to deal with 16 contractors in this building; I would rather deal with one who can look after this building,’ except for technical things like lifts and escalators. Normally, they are not covered. We have about 160 members who employ some 12,000 people. Nationally, we are one of the biggest employers in the country, employing about a quarter of a million people. The turnover annually is about \$2 billion or \$2½ billion. It is a huge business.

The issue we raised is in relation to training and new people coming into the industry. I want to make it clear that I am talking now about the cleaning industry, not about any other industry.

In this state we are not allowed 15-hour traineeships, as they are in every other state. When you consider that probably 70 to 80 per cent of our staff work less than 20 hours—it is the nature of the business and, as Mark will mention, it is the changing nature of the people we employ now—that means the majority are not able to get a traineeship and are not able to get trained. That is not totally true, because the employers do a lot of the training themselves, but there is a cost involved in training, and the system that is in place with traineeships does allow the employer to recoup all of that cost, probably.

That is basically the presentation we made. We made an offer to the Department of Education and Training, as it is now known here, and also to the minister that if he would allow us 15-hour traineeships, or somewhere around there, we could probably guarantee him 1,000 trainees before September. That was two months ago, so we are pushing our luck a bit now. We are known as an organisation for fulfilling our commitments. If we give you a commitment, we will get there.

We have no interest in rorting the system. We know that in other states people have rorted the system. We have heard about it, and it has happened here with one industry. We have no interest in that whatsoever. As a self-regulating body—we are not a government agency—we would deal with any member that rorted the system, and they would not be allowed to do it. We are about to put another proposition to the state government about how it could be done in a very cost effective way, and we would manage it and control it.

CHAIR—Thank you, Ian.

Mr Berry—As you pointed out, we are involved in all sorts of things, from managing trades right through to concierge and those sorts of things. I will speak about this on a macro level. If you look at the statistics of where the growth in employment is across the Australian economy—and Western Australia mirrors the national trend—building and property services is the fastest growing sector at the moment. It is growing faster than IT; it is growing faster than recreation.

CHAIR—That is supported by evidence from the Curtin University today, which showed a 166 per cent increase in employment growth between 1984 and 2002.

Mr Berry—I may not have seen that.

CHAIR—Property and business services.

Mr Berry—There is growth in employment in the sector we represent. That is the key thing. The growth in employment is going to come in this sector more so than anywhere. You only have to look around here. When you look at the infrastructure that is being built, our industry looks after and manages that infrastructure. There are two things that are perhaps unique to this particular sector. One is that it is predominantly serviced by people in a part-time capacity. Whether it be security, cleaning, gardening services or a whole range of things, it is predominantly looked after by people who are part-time employees.

The second thing is that it generally employs people of our age—the baby boomers—not the youth end of the market. If you combine those things, you have this other factor that has been fairly topical of recent times, which is the ageing work force. From a strategic view, we have to try and keep people in the work force part time, because most of us do not want to work full time

into our twilight years. Our industry sector is one which is specifically very strategically located to pick up that growth in employment, to manage the nexus of people wanting part-time employment and people wanting employment beyond the traditional retirement age of 50 or 55.

If you look at those things from a macro level, strategies need to be put in place that will support that at a micro level. I guess it comes back to initiatives, such as the ones that Ian has talked about, that really are working against that. In particular, we have a situation now where—with due diligence and public liability issues out there specifically targeting infrastructure—we have to have people working in those facilities who are trained. You cannot just grab someone off the street and say, ‘Go and fix the garden over there,’ or, ‘Go and wash the window,’ or whatever. You need people with qualifications.

People entering our industry and people already in our industry need qualifications. There is a national qualifications framework out there which supports that. A number of our clients, being led by a number of government departments, are supporting a move towards employees not being allowed on site unless they have a national qualification, whether it be security, cleaning, concierge or a whole range of other things. I think the signposts are telling us that we are going to have to move in this particular direction.

The issue then is: how do we train the existing work force? But more importantly, in terms of this issue about participation in paid work, how do we attract those people who will be moving into our industry, to support the growth at the entry level into the market? A number of industries which traditionally have not had a training culture now have a developing training culture, but we have to be supported at a national level. Certainly, it is supported at a national level, but we have some difficulties with the state government department, which does not support on-the-job training initiatives in the property services industry.

That is our challenge. We would like to support the national initiatives because, through ANTA and through a lot of employer incentives that support the traineeship structure, they work very well. I can speak for an organisation such as ours in that the incentives we get through that we make sure are ploughed back into training in general. That structure works very well, but the problem is that it is being put through the eye of a needle and not being promoted through the state agenda.

Mr BRENDAN O’CONNOR—I am sorry, I have to go. I have to catch a flight.

Mr Berry—I know it was boring, but it is pretty important to me!

CHAIR—I am still a little bit at a loss as to why Western Australia has not fallen into line with the other states on this issue of traineeships. What are the reasons that are given?

Mr Westoby—In the submission it names the individual.

CHAIR—I do not have any of that.

Mr Westoby—It is a very brief submission, but it names a gentleman by the name of David Kelly, who is the secretary of the Liquor, Hospitality and Miscellaneous Workers Union. Unless he gives the nod of approval, we will not get 15-hour traineeships.

CHAIR—That still does not tell me why. David Kelly is part of a union which also has representation in the other states, and those other states support it.

Mr Berry—It is ideologically driven. Two arguments have been given to us. One argument is that the training is not true training, because people are only working a few hours, and therefore how can the training add value?

CHAIR—Is that the same training that is conducted away from this state?

Mr Berry—Yes, and it has been supported by an academic study that says, ‘Look, it’s fine.’

Mr Westoby—Monash did it.

Mr Berry—The other argument, unfortunately, is being driven by a political view that employment in this country should be full time. The information that we have been given is that it is a political agenda. It is very difficult for us to broker. We have spoken to the department here and they said the only way we can get around it is to form a committee, which frightens the hell out of me, because when you form a committee—with respect to this group—it delays things.

CHAIR—How long have you been pushing this?

Mr Berry—Two years.

CHAIR—How long has the traineeship been recognised in the other states?

Mr Berry—Tasmania was the last one to come across.

CHAIR—There is a record there? You could point to a record of achievement elsewhere?

Mr Berry—Yes. That is a micro problem, but—

CHAIR—It is, to some degree, but you are trying to attract school leavers into the industry.

Mr Berry—No. We want mature-age persons.

CHAIR—Mature age? We are hearing these days about redundancies and mature-age workers needing to come back into the work force, so there is an opportunity there. The fact that there is no traineeship does not prevent those people from joining your industry at the moment, does it?

Mr Berry—It does not, but as I said—

CHAIR—You say you will deliver 1,000 trainees by September if the laws are changed. Why can’t you deliver 1,000 jobs right now?

Mr Berry—We can deliver 1,000 jobs, but those people will not have qualifications. We have a client base out there, we have regulations and we have half the lawyers in town saying, ‘You

must have qualifications to support these people.' The cost of training them is significant, when you consider the turnover of people in our industry. Traineeships, to be quite honest, are a way for the public purse to support our funding of the training, so it is a co-funding model, I think.

The reality is that, for an organisation such as mine or anyone else's around the place, this is a very cost sensitive industry. In the old economics, it is almost a perfect competition model, so you are not going to have, 'Listen, I'll just grab five per cent off the bottom line and I'll train all you people up to this particular level.' That is not commercially realistic. Clients will not support a jumping-up of our prices of five per cent, because that is basically what this means.

What we are saying is that what is happening in this state commercially disadvantages people in this state. It commercially disadvantages people from getting qualifications, it disadvantages companies from operating at world best practice, simply because of a state department which refuses to register the traineeships on the same basis as they are registered in every other state in Australia.

Mr RANDALL—Is it possible for the state government simply to override the union's decision on this issue?

Mr Berry—Of course it is.

Mr Westoby—Who is running the state?

Mr RANDALL—And you said you have been in touch with the Minister for Education, Science and Training?

Mr Westoby—Yes. We have spoken to the minister.

Mr Berry—Can we go back a step? We wrote to the federal minister for training and listed everybody who supported us. The state minister supported us. The department supported us. The ITC supported us. The trainers supported us. The federal minister supported us. The federal union supported us. I go to meetings in different states, where I meet the union members once in a quarter, in each different state. They all supported it—and they all know Dave.

CHAIR—Have you had a letter or support from any state secretary from one of the other states to the effect that this is a goer? You are saying it is available in every state except WA.

Mr Westoby—The way the union works, no-one can tell the secretary what to do; not even the national president, Helen Creed, whom I know personally. She was president here for some time. Whether she can or she cannot, she will not, let us put it that way. They cannot override the state secretary in any state.

Mr RANDALL—It is pretty obvious from what you have said that your obstacle to getting extra jobs in this area is Dave Kelly.

Mr Berry—Yes. The Liquor, Hospitality and Miscellaneous Workers Union—the Missos.

CHAIR—Is this because all the changes that are made to your guys will have to go across to the other industries that are covered by that union?

Mr Berry—No. It is specific to this industry. Again, there is a political agenda driving it. We are private professional cleaning companies. The agenda for the Missos is that all our work should go back in-house. In other words, if you are running this privately, you should employ your own cleaners.

Mr WILKIE—It is not a political agenda, is it. It is a union agenda?

Mr Berry—It becomes a political agenda because the union controls the platform and the policy.

CHAIR—But the state minister is on-side on this issue, you said. Is that right?

Mr Berry—The state minister is fine.

Mr WILKIE—It is an argument on behalf of the union, not really on behalf of the state government. The state government is supporting it. Have you had an industrial campaign yourselves about it, taken it to the Industrial Relations Commission?

Mr Berry—We have not, but we have a hearing that is due to be heard by Harrison fairly soon. That is on the agenda. It is in relation to what lies in the award and a whole range of other things. But certainly our position is that, if you are trying to get an agenda across the line, you try and get as many people sitting on this side of the table as you possibly can and as few as possible sitting on the other side. We have got to that stage now, where basically there is one person in this state who is preventing it. I would suggest there are 24,000 people in our industry. Probably as many as 3,000 to 4,000 a year are getting a nationally recognised qualification in this industry. And that is just in the cleaning industry—without even looking at security.

Mr WILKIE—These guys operate under a state award, don't they?

Mr Berry—Yes, the common rule is a state award, but most people in the industry these days have deserted the state industrial agreement for the federal agreement. That is across the whole industry.

Mr WILKIE—In terms of the political agenda, there is a union agenda, and it would not matter whether it was Labor or Liberal in government, the minister would not be able to overturn them without the Industrial Relations Commission ruling to say that that is the way it should go. I think it is a bit unfair to say that the state minister is not acting responsibly if he agrees with you but he has not got a leg to stand on legally because the commission has not heard the case.

Mr Berry—We do not have a problem with the state minister.

CHAIR—You mentioned that the agenda behind this is also perhaps the union not wanting to promote or facilitate further outsourcing.

Mr Berry—Definitely.

CHAIR—Is there any evidence to indicate that it has prevented outsourcing taking place? You have 24,000 members out there. There would be very few in-house operations left, wouldn't there?

Mr Westoby—No. TAFE has gone back in-house.

Mr Berry—In the last two years, with all of health—Charlie Gairdner's, Royal Perth, all of those hospital facilities which had outsourced services—at the stroke of a pen Kucera said, 'You're out,' and they have all gone back in at double the price that it was costing.

Mr Westoby—No, not double.

Mr Berry—Considerably higher.

Mr Westoby—We are talking millions in increased costs.

CHAIR—So there has been a reversal?

Mr Westoby—And schools.

Mr Berry—The issue of school cleaning is obvious. You see that in the press.

Mr RANDALL—I have just been speaking with the different ministers. From my information, Mr Chairman, you are quite fair: the Minister for Education and Training, Alan Carpenter, is fighting a battle on this himself, whereas some of his colleagues have rolled over. When you talk about a political agenda you are talking about more of an ideological agenda, which is the anticasualisation view, where there is an objection to the casual work force because it cannot be as well controlled under awards et cetera.

Mr Berry—If I were sitting in his position, I would do exactly the same sort of thing. We recognise that.

Mr RANDALL—That is the sort of ideological problem you have, obviously, with that left wing union. The member for Swan is quite correct: probably the best place to thrash this out is in the state industrial arena or, if you are on federal awards, in an industrial commission so you can get a ruling.

CHAIR—What proportion of your 24,000 employees in this industry are male versus female?

Mr Berry—In our organisations, which are fairly representative, I would suggest it is probably 60 female to 40 male.

CHAIR—How many casual?

Mr Berry—We employ two, I think.

Mr Westoby—There are exceptions—there always are exceptions in every industry—but most operators in the industry do not use casuals. They use permanent part-time people, and there is a big difference in the benefits.

Mr RANDALL—But it is a negotiated agreement, on terms and conditions et cetera, obviously?

Mr Westoby—Yes.

Mr Berry—Most of them today are employed under federal individual AWAs.

CHAIR—You might very quickly want to move on to something else.

Mr Berry—Yes. One of the challenges about the big picture in terms of encouraging people into paid employment in this industry—and I am not sure what the solution is—is certainly that at a micro level when we try to attract people to work in our industry, the decision often comes down to an economic one. A person says, ‘Well, if I go and get X amount of work then I am going to lose all the benefits that would otherwise be available to me if I stayed on welfare.’ When you look at the people in our industry who are making \$12 or \$13 an hour, they are making \$200 a week. That becomes almost the biggest challenge that we have in attracting people, because they will not work part time for \$200 a week when they are going to lose all their significant benefits.

Does this committee have a brief to recommend that the benefits which are attributable to a person who is unemployed be pushed through to people who have a threshold level of income, such that if, for example, a person is only earning up to \$12,000 a year, then you get all of the medical benefits, the travel benefits and all of those other sorts of benefits which are the ones which affect our industry? I am sure they affect a whole range of other industries. The decision to go back to work is tempered by the fact that, ‘If I do go back to work, then I have to fund the cost of these significant essential items like health.’

CHAIR—The second part of the terms of reference is:

- how a balance of assistance, incentives and obligations can increase participation, for income support recipients.

That interplay between the welfare system and the workplace is there. It is always up to us what recommendations we make.

Mr WILKIE—I suppose the short answer is: yes, if we wanted to make that recommendation.

CHAIR—If we think a recommendation is going to assist in increasing participation, then we can do that. It is up to us.

Mr Berry—Is there opportunity for more partnership with industry, in terms of—messing with the bigger picture—tax incentives for industry to employ people or to subsidise their health funds? There is a whole range of things.

CHAIR—If you have some specific recommendations in that area you would like us to consider, could you give them to us? Is it included in this information?

Mr Berry—No, it is not.

CHAIR—Can you send it to us? We will have a look at it.

Mr Berry—Yes. Things work best if they work in partnership: you create win-win opportunities. I think what we are talking about here is the type of thing that is called adversarial, where we have a lot of run and not much yardage. If there is an opportunity for significant partnerships between the government and industry to encourage people to be gainfully employed, rather than to be recipients of welfare, it seems to me as a community we would be significantly much better off.

CHAIR—As I say, if you have something, please send it. Just being a devil's advocate, can I put myself in the shoes of perhaps those who are opposing you on this traineeship and say this: one of the things that we have seen over the last 10 to 20 years is a decline in the number of low-skilled and semiskilled jobs. With the manufacturing industry becoming far less labour intensive and more capital intensive, opportunities for people with low to semiskilled skills are just not there. This industry is perhaps a last bastion.

Mr Berry—We are going the other way.

CHAIR—Yes, but surely there is that opportunity there for people to move in? You are having trouble getting 15-hour traineeships going. Outsourcing is going back internally.

Mr Berry—Only in this state.

CHAIR—I am referring to this state. So isn't it a good thing that there is one last avenue of employment for those who have very low skills?

Mr Westoby—The problem is that you are called a cleaner. If you could change the name 'cleaner', it would get rid of the—

CHAIR—You are called a security guard, you are called a gardener, you are called whatever. You are covering everything.

Mr Berry—I am sorry, I am missing something. The point I think you are making is that we should be quite happy to sit where we are because we are going to capture the people who are being shed by other industries.

CHAIR—Yes. I am just throwing that in as an argument. What you are saying is that that skilling and those qualifications are happening regardless. The industry is demanding of the employees that they have to achieve a certain standard.

Mr Berry—No, unfortunately it is not happening regardless. The fact of the matter is that what happens is that people wing it, in the sense that there is a desirability for people to have all those qualifications. If you go to Galleria Shopping Centre down the road here and you have a

situation where someone slips on a banana skin, then the first question that is going to be asked is, 'Is there a regime in place to prevent that from happening? Is the person that is out there sufficiently qualified? Does the person have a national qualification?' I am sure the answer is eight out of 10 of them will not. You run the risk of an incident which will end up in a court somewhere where someone will walk away with a significant settlement. That, to me, is not the answer.

CHAIR—Why would you blame your members for that? Surely it is the tenant's responsibility in that situation.

Mr Westoby—You have not seen a tender document—a contract—for a shopping centre. Most of it is insurance.

Mr Berry—And it is about outsourcing your risk.

Mr Westoby—The courts will test how far they can push you in the fine print, and the government is just as bad. They have changed their document now, but the cleaners were responsible for everything. If anything happened in that building, the cleaning contractor was responsible for it, which is totally bizarre.

Mr Berry—It may be that a local council does not put enough sand under a swing. The problem that we face all the time is that we are really going to need an Einstein, someone with eyes all over his head, to make sure that we isolate ourselves from that risk. It shuffles back to the fact that one of the best protections we have is to have good systems, supported by qualified people. We cannot get the qualified people.

We cannot do up-front training, because it is not financially viable, so we have to do on-the-job training. It is the most appropriate training that is available. That falls into the brief of traineeships. That is the most cost effective and the most enduring of those skills. That is why we picked that as the training delivery mode that we think is appropriate, whether it be for security guards, cleaners, gardeners or anyone else.

Mr WILKIE—Mark, how did you get on back in the old days of skill shares, where they would get a whole group of people in—16 or 20 people—and do a cleaning course? We used to do it in Victoria Park. Did you have problems then with the unions?

Mr Berry—No.

Mr WILKIE—Because that would have been a fairly crucial course.

Mr Berry—We recruited a number of those people into the industry, and they worked extremely well, but quite frankly they were drops in the ocean. There were a lot of the difficulties with people getting to and from work at four o'clock in the morning. Those programs were good, but they were like bubbles.

Mr WILKIE—There were not enough of them?

Mr Berry—Not enough.

Mr WILKIE—Was the quality of the training adequate for what the unions required?

Mr Berry—Yes.

Mr WILKIE—Why are they complaining about what you are proposing here? I would not have thought there would be much difference in training.

Mr Westoby—It is the same people doing it, in some cases.

Mr Berry—There is another agenda which is driving it, and I think we have been over that ground.

Mr WILKIE—Sorry, I was not here earlier. Are there still those sorts of courses available now for people coming through?

Mr Berry—Yes, there are a number of organisations—DOME and those sorts of places—which have courses. Centrecare run some courses. Again, they operate on the fringes. If you address this issue through traineeships, you can address it through the highway, not through the byways. This is an issue which has to be driven by the industry to the majority of the people in the industry. It is not a fringe issue. This is a core issue for the industry. If you are going to talk about training, then you are only going to adopt the training culture if you address it through mainstream rather than something that you add on, like the coat you put on when you walk outside because you are going to look nice on the street.

Mr WILKIE—Does the industry provide any of its own training?

Mr Berry—Yes. We set up our own nationally accredited course, but when the AQF came in we made a decision that all training we supported in the industry would be nationally qualified, because people move around. They go to Brisbane if they want to get a job as a cleaner or a security guard over there. The industry has adopted the national qualification and the national training packages as the basis of all training, both in security and in cleaning.

The number of people within the industry who have the resources to be able to pay a fee for service, if that happens, is low. Fee for service happens in the security industry only because there is an issue of licensing. You cannot stand outside a chemist shop unless you have a licence. You can in a crowd control situation—God knows why.

Mr WILKIE—Is there any scope for the Master Cleaners Guild, for example, to apply to the government for funding to run an ongoing training program for cleaners, giving guarantees that those people would then be employed in the industry if they achieved a qualification?

Mr Westoby—We twice ran a program called priority skills enhancement.

Mr Berry—A state program.

Mr Westoby—We are not an RTO, so we cannot run the training. We have members who are RTOs. We are a facilitator. We do not do things; we bring people together. It was outstandingly successful. We got a 99.5 per cent pass rate. We did it for two-thirds of the cost of TAFE. We put

through 150 people more than we were paid for, because we made so much money it was obscene. I got cheques that I had to send back, because we had not done the work. We got paid as soon as the person signed the bit of paper. I said, 'No, we don't get a cheque until the person finishes,' because we used TAFEs to do the training.

We ran it like we run our businesses: a very tight ship. Mark and I were flown to Sydney to present it over there to NCVR. If someone would give us the money, they can have all the controls in place that they like; I do not care. We have done it twice. That was a three-year contract. They only ran it for one year and then stopped it, because it was embarrassing. It was embarrassing for the TAFE system, and the document that I have given you tells you that. The TAFE system cannot work with small business. It just does not have the culture.

Mr WILKIE—That training would have met the union requirements, wouldn't it?

Mr Westoby—It was not an issue. Whether you put it ideologically, politically or whatever depends on the jargon of where you come from, I suppose. You used the word 'ideological'. We would probably use the word 'political', which means something different to you, I think. It is an ideological thing, and we have to walk a very fine line. As someone mentioned, Alan Carpenter—the labour minister—has stuck by his guns and given schools a choice in relation to cleaning. He has been voted down. In fact, the ALP policy is for a lack of choice; the ALP policies all go back in. Geoff Gallop and Alan Carpenter—and we have no particular allegiance to either of them—have stuck by their guns and kept the choice there.

Mr WILKIE—With the 15-hour apprenticeship—and I am sorry I could not get here earlier—I would have thought that is about training and the quality of training, and the union would be saying, 'Well, they're not getting enough training on the job or through this process in order to be able to qualify to do the job.'

Mr Berry—The short answer is that, if you are not spending as much time on the job, you just leave for the period of the traineeship.

Mr WILKIE—If that training was being funded by government, as opposed to industry, and the industry were guaranteeing positions at the end of it basically, then we could put forward an argument that the government should look at possibly funding more of these courses, as they used to, on the basis that people would get positions.

CHAIR—They did say before you arrived that, if there were changes made, they could guarantee 1,000 jobs by September.

Mr Westoby—I do not mean this flippantly. You can have all the controls in place that you like. If you give us the money that you give the Department of Education and Training, or you can take their bit off, and what they give to the TAFE colleges—we have lost two months, so we are probably pushing our luck for 1,000—we will give you the numbers. If we cannot, we will tell you, because that is how we run our businesses.

Mr WILKIE—That is state funding. I am talking about federal funding. The federal government used to fund these sorts of courses on a needs basis, to ensure that there were enough qualified people out there.

Mr Westoby—It is like that one you have out there at the moment.

CHAIR—Thank you for coming in. We have these additional submissions, which we will consider at our next meeting. If there is any other information that you can provide, send it through. If there are any questions that we have, we will contact you.

Mr Berry—In closing, the industry has an enormous opportunity to get a few things sorted out.

CHAIR—You made your case well.

[11.52 a.m.]

JENKINS, Mrs Mary, Secretary, Underemployed People's Union WA Inc.; and Secretary, Australian National Organisation of Unemployed

PAIN, Dr Geoffrey Norman, Committee Member, Underemployed People's Union WA Inc.; and Australian National Organisation of Unemployed

CHAIR—I welcome the Underemployed People's Union of Western Australia to the hearing, in particular Mrs Mary Jenkins and Dr Geoffrey Pain. Thank you for meeting with us today. The proceedings here today are formal proceedings of the parliament and, although the committee does not require witnesses to give evidence under oath, you should understand these hearings are legal proceedings of parliament and warrant the same respect as parliament itself. Giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament.

If you prefer at any stage to give evidence in private, please ask to do so, but our preference is that all evidence be given in public. I invite you to make some preliminary comments before we go into general questions. I apologise if this is going to sound rushed, but I know Mr Randall has to leave.

Mrs Jenkins—We had a conference in Curtin University in November. The conference was called Underemployment: Gambling with our Future. We would like to speak about some of the things that came out of that conference.

CHAIR—Sure.

Mrs Jenkins—I have tabled the conference report. The conference concluded that work has become a human rights issue. Does this inquiry intend to increase social capital by eliminating poverty by creating work that pays a living wage? Will the government continue to propagate unemployment as a means of pacifying employers in order to keep wages down? Have the committee members acknowledged the relationship between unemployment, underemployment and poverty? Is this inquiry a counteraction to the reality of the inquiry into poverty and hardship? Will participants' contributions be rejected?

I am sure you are not short of anecdotal evidence. I could also give you some, but would it make any difference to the outcome of the inquiry? It would hold up a lot of time, I am sure. If I have time, I would like to quote from Professor Jim Ife who concluded our conference.

Making the unemployed disappear through unemployment rather than finding solutions has been government policy. It is time to come clean and start telling the truth about unemployment. Policy makers must really change their thinking about how we are going to incorporate the unemployed as valuable citizens, instead of making them victims for the rest of their lives. Unemployment has become a human rights issue for the eight per cent who will not have access to full-time work or a living wage in future.

One of the recommendations from our conference was that a tech lotto be endorsed as a job creation concept. Tech lotto creates funds from a mid-week lotto. Funds will be invested in new inventions that create work. Dr Pain will outline the scheme more fully. The Premier of WA is considering the concept.

It is crucial that a fairer distribution of work be implemented. The present system can no longer be sustained. Unpaid and paid overtime should be curtailed to enable a fairer distribution of work. The government should undertake an analysis of the cost of breaching as an effective policy; health and welfare costs should be factored in. The process of breaching should be abandoned as a bad policy that causes anxiety, creates family crisis that increases the need for more welfare services and strains the health and welfare budgets. We should stop policies that scapegoat the victim and devise a fairer tax system that reviews the present bracket tax that has created poverty, even for middle-income earners.

Experts recommend allowing unemployed people to earn \$13,000 before tax to bring them in line with the increased cost of living since the introduction of the GST, which has hit low-income earners more than anyone else; stopping the offshoring of jobs, which is an un-Australian activity; reversing the brain drain by finding mechanisms which encourage the 860,000 Australians working overseas to return and help build the nation; reviewing HECS as the increase in HECS fees is a disincentive for graduates to stay in Australia and find work and those that stay cop the HECS; making the cost of apprenticeship training and opportunities feasible for small business employers to take more apprentices on in the future. Those are the recommendations from the conference.

Today people are categorised as labour market disabled and are not medically disabled. The capacity to work is being determined by the health of the labour market rather than the other way around. Government policy is to treat these people as malingerers who are accessing the welfare system that they are not entitled to, and so they have made policies on that basis. The reality is that it is the labour market that is disabled. There are simply no jobs for the increasing number of unemployed people today. It is quite difficult for Centrelink staff to deal with people like this. Many of the staff can see that they are putting unrealistic expectations onto people.

Social capital resources are being wasted today. Government ignores the skills that mature people have to offer. It is impossible for the mature-aged, long-term unemployed person to find work. No Job Network wants them; they are just sidelined and treated like mushrooms. There are now seven unemployed people lining up for every job vacancy; there may be more in future. Self-employed mature people with resources are downshifting and working past retirement age. The element of risk stops many. Tax incentives should be encouraging more mature people to become self-employed. Local government red tape and costs to small business prevent many taking the big risk.

How will politicians begin to incorporate the unemployed as valuable citizens without jobs for the rest of their lives? Volunteers are not only productive social capital but also economic capital. It is time their value was recognised in the taxation system. Changes to the disability support pension bring further angst to families already living under stress. Disability does not disappear; it only gets worse. Why are policies just adding to the stress and requiring people to continue to prove their disability?

Unemployment is a health hazard, according to medical researchers. The psychological effects of unemployment are depression, anxiety and family breakdowns. The physical effects also add a burden to health services. Studies on factory closures see effects that lead to more disabling physical conditions. Governments keep fiddling with the concept of disability. They just simply keep shifting the problem or having another inquiry like this one. There are no solutions, it appears. It is time for a new, positive approach to work. Both Labor and coalition governments for the last 30 years have tried to make it harder to get a pension by changing the eligibility criteria. Until the government does something about job creation, tightening eligibility is only going to shift the problem. The problem is simply being shifted again today.

The problem is that there is just not enough work to go around. There is now a large army of people who are underemployed, looking for more hours. Our members report that there are often no jobs at all on the electronic Job Network in some weeks. The electronic Job Network information line is a failure. It is no help to mature people or those who are not computer literate. The Job Network wants fresh young people to come through the door that they can fit straight into any old job. Mature people are much harder, more costly and time-consuming to fit into a job, so they are parked until they are shifted out, shunted off to pointless education and training courses, disability or suicide.

Many young Centrelink workers have no rapport with mature clients and, for example, send a PhD student to a resume-writing course, or someone who left school 40 years ago to a computer course when they have only ever done manual work. Job Networks try to put square pegs in round holes.

The Productivity Commission report done by the government's own Department of Employment and Workplace Relations indicated a failure of the Intensive Assistance Scheme. Work for the Dole is also counterproductive. By their third Work for the Dole scheme, many young people have lost their motivation and hope of ever finding a secure job. We have members like that. It is sad. Some turn to drugs; there are family breakdowns; there is violence. The cost to the nation is escalating into a future crisis.

The government is avoiding the real issue—that is, to create more jobs with a living wage. The number of unemployed has increased in the last seven years. How much has the government wasted propping up failed schemes since 1996? If it really wanted to help the unemployed, it should have invested in job creation rather than propping up outsourced failed schemes. All it has succeeded in doing is creating a sick society of second generation unemployed families living below the poverty line—a crisis in society.

It appears to some people that this is what the government really wants. For those of us who contributed to the recent report on poverty and financial hardship, this inquiry is yet another effort to pass the buck and to look as if the government is going to make a move at last to increase social capital—just before an election. I would like to conclude with a quote from Jim Ife from our conference:

Full time work is a twentieth century dream. Only the few are lucky enough to have a well-paid job they enjoy. The consumer society demands that we work harder, to pay for more, largely unnecessary, consumer goods. We need money to pay for homes, inflated land prices, health and education. These have become very costly to unemployed people and those surviving on a limited income. A new system of distribution of work to address the gap between the rich and poor is

necessary. Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment. This is a basic Human Right.

Thank you.

CHAIR—Thank you. Dr Pain, do you have any opening comments?

Dr Pain—My document was submitted today, so we are catching up with some more recent developments. You should have been provided with a photocopy of that, I believe, by the secretary. I will very quickly go through it. I would like to cover in my paper the need to publish the actual number of unemployed and underemployed Australians each fortnight; the need to publish wages paid each quarter as a measure of hours worked; small business redundancies and worker entitlements; offshoring and unfair advantages of trading partners; lack of venture capital in Australia; and the disastrous consequences of measures proposed by right-wing antisocial organisations like the Centre for Independent Studies and the H.R. Nicholls Society.

When we talk about increasing paid work, we need to be able to measure it. At present this is difficult, because the government hides essential data in its possession which would allow the community to make judgments and plan for the future. The recent Senate report into poverty, which focuses on employment as a key issue, with five million Australians surviving on less than \$500 per week, has its first 15 recommendations directly related to unemployment and underemployment. Meanwhile, our PM refuses to read the report and announced he will not act on it. It is clear it is not the sort of book that he wants on his cricket-tragic coffee table.

Wayne Swan MHR had to use freedom of information procedures to find out that the number of long-term unemployed has doubled under the Howard years. As we argued before the poverty inquiry, the government knows exactly how many people are unemployed and underemployed when it prints cheques, makes payments to and withholds payments from welfare recipients each fortnight, but it refuses to publish the figures. Given the overwhelming honesty of the unemployed, they declare any meagre income that they have managed to earn and are penalised at effective taxation rates as high as 80 per cent for their honesty.

The business activity statement could, likewise, be used to measure actual wages paid to provide legislators with vital data that shows most accurately the true state of the economy, but the Treasurer has set records in personally blocking access to such data. We can measure the strength of our economy in other ways. Here in the city, the vacancy rates are 15 per cent.

CHAIR—This inquiry is very specific. It is on how to increase participation in the work force. We are running short of time, so I am going to have to get you to cut to the chase about what this inquiry is about. It is not a broad inquiry into the general economy.

Dr Pain—I have some comments here which are highly relevant to small business.

Mr RANDALL—I suggest that Dr Pain tables his speech rather than reads the whole lot.

Dr Pain—According to the Council of Small Business Organisations of Australia, 50 per cent of small business operates in debt and is unable to pay for current liabilities, let alone redundancies. I refer in the document to the collapse of National Textiles, as a working example,

which covers all of the issues of your inquiry. It has direct relevant information, and I commend reading this, if you will not allow me to read it now, into the record.

CHAIR—We will read through that.

Dr Pain—I was disturbed this week that the Industrial Relations Commission recommendation for eight weeks redundancy pay for small business workers was immediately pounced upon as a cost to employers of \$190 million per annum. That works out at 800 small business workers being sacked each week currently, according to the Business Council. In today's *Australian* of 6 April, the small business editor points to the data in a study by Bickerdyke, Lattimore and Madge, *Business failure and change: an Australian perspective*, that while 95 per cent of business failures are small business, the primary motive for redundancies is in fact profit. Indeed, only one in 15 businesses make redundancies linked to closure.

I then go on about some mass sackings. I would like to draw your attention, in particular, to offshoring by IBM in Australia, which is currently eliminating 450 career IT professionals and forcing them to train their replacements employed by IBM in India. IBM has given internal directives that the word 'offshoring' must never be used. Australian workers have been told to build their own crucifix. How evil and absurd to be given just 15 weeks to transfer decades of specialist knowledge to your foreign replacement, with no fixed termination date and no hope of getting a related job in the IT sector.

Most of these Australians are former Telstra workers who were sold to IBM in 1997 as a means of cutting Telstra's staff, without them even leaving their Telstra desks. Now Telstra has cut out of the joint venture with IBM, slashed its IT budget by 50 per cent and the workers are told that if they leave before handing over their careers to the Indians they will lose tens of thousands in redundancy pay. How is Australia going to increase employment with un-Australian activities like offshoring?

I point out that India is a highly developed country capable of designing, launching and controlling its own satellites and nuclear weapons. It uses satellites to make Australian call centre workers redundant. I recently received a call from India claiming it was calling on behalf of a local surf-lifesaving club. What does India do for its high-tech business? It gives them soft government loans and five-year tax havens.

Australian business is desperately short of working capital. I then go on to point out that there is not a level playing field. It is a very steep playing field. Australian businesses are paying up to eight per cent higher interest than their competitors in Japan, India and the USA. Indeed, it is estimated that 270,000 US jobs depend on exports to Australia. The disastrous proposed free trade agreement between the two countries will leave Australians with a huge disadvantage and transfer more jobs, particularly in manufacturing, to the US. I then quote Peter Switzer, who is an expert on small business:

One of the greatest handicaps of being a small business owner is lacking money. Your lack of money not only stops you from accessing key resources to help you expand your business, it crushes your entrepreneurial thinking. It encourages negative thinking and closes the door on many positive opportunities.

Lack of capital is the central issue. High and rising interest rates prevent job creation.

I then go through some history, which I will skip now because it is in the record, of National Textiles' failure—the company associated with the Prime Minister's brother—and the reasons for that. Public taxpayers' money was used to pay the entitlements to those redundant workers. I draw the line: 'Why should small business workers be any different to textile workers?' I then attack the Centre for Independent Studies and the H.R. Nicholls Society, which I call extremists because they would remove the dignity of Australian workers and send us back to an upstairs-downstairs society.

CHAIR—In what way?

Dr Pain—They put submissions to your inquiry, which I have read.

CHAIR—We have had some quite interesting submissions, particularly from the CIS.

Dr Pain—They argue for the abolition of the minimum wage, all industrial awards, unfair dismissal laws and all worker entitlements. They propose the elimination of the dole after an unspecified time to encourage unemployed Australians back to work. Even the H.R. Nicholls Society admits that the most draconian work tests and penalties introduced by eight years of Howard Liberal rule have failed to dent unemployment. That is on the first page of their submission. They call for a wage reduction at the lower end of the market. They admit that deregulation:

... would make some people *relatively* worse off by obliging them to compete openly with unemployed people for jobs.

That is a fundamental inconsistency with their claim that more jobs would be created.

Then I quote Dr Roger Wilkins in his submission to the inquiry, who says that one-sixth of welfare recipients have received benefits continuously for more than 5½ years. One-third of families now get income support compared to one-quarter two decades ago. The number of dual-income and no-income families has increased dramatically in this time. As confirmed by the poverty inquiry, 700,000 Australian children now live in jobless households. Making people poorer will not help. Reducing wages reduces consumption and forces price competition and lower profit margins, with more business failure. It is a downward spiral, with less tax revenue, less public infrastructure and a lower social wage. Workers and unemployed must fight the attacks on their human right to dignity, work, health and stress-free leisure. Thank you.

CHAIR—Thank you very much. There are a number of assumptions in both of those papers which I could take up, but we are not going to have time. Could I go to a core theme that has run through your submission, Mrs Jenkins? All parliamentary committees are independent of government. Yes, our reference is given by ministers, but it is approved by a committee. It is an all-party committee, so it goes across all parties. The timing of our recommendations and report is up to us, as a committee. It has no bearing on election timetabling. It is up to the committee members, in our discussions.

The response by the government to a parliamentary committee is also in the parliamentary practices, which is within a time frame. A government must respond to recommendations. That could very well fall past the next election. There is a theme there which I have to take issue with,

because we decide on our inquiry and we decide on the timing and the length. That being said, you have submissions there which go across a number of categories.

The main thrust of your submission is for greater government involvement in job creation as opposed to programs working with unemployed and you talk about programs that have failed since 1996. One would say that programs with unemployed have been failing for a lot longer than 1996.

Mrs Jenkins—Yes—1980 actually.

CHAIR—Can you just run through what some of these job creation programs would look like. We have had two substantive submissions on job creation, one from the University of Newcastle and one from somewhere in Melbourne. Very briefly, can you refer to that, because these two guys have to go soon.

Mrs Jenkins—The reason why there has been no loss of jobs is that a lot of work has been outsourced. Government is guilty, and in a state like Western Australia, the government is probably the biggest employer. Previously employed public sector workers are now re-employed at lower wages by private contractors. As the contractors compete for jobs, so the workers compete for the fewer jobs offered by the constructors.

CHAIR—Yes, I understand the move towards contracting, and that is also a choice. You are saying that we should not have contractors and outsourcing taking place.

Dr Pain—They are more expensive, for a start. It is a waste of resources.

CHAIR—There is also flexibility. You are removing flexibility in the marketplace.

Dr Pain—I can give you a specific example that proves it is more expensive, if you like.

CHAIR—Well, we can always come up with examples.

Mrs Jenkins—I am concerned about what the workers get paid. For instance, a young mother with two children was offered a job by Social Data, which is a research organisation. She has two degrees, and she thought this would be a good stepping stone because they were doing government environmental contracts for the water board. She was offered \$12 an hour. The going rate for a researcher is \$17 an hour. This is what is happening. They take advantage of graduates.

CHAIR—I am sorry, you still have not understood my question. You talk about job creation.

Mrs Jenkins—Yes.

CHAIR—Run past me how you see job creation taking place. Is it just simply increasing the size of the Public Service?

Mrs Jenkins—No.

CHAIR—Is there some other program that you envisage as part of the job creation?

Mrs Jenkins—We did spend the afternoon in the conference talking about job creation. The problem is that most of it was for mature people.

Dr Pain—I have a couple of examples. One would be the decision by government to rapidly escalate the use of renewable energy. In Bill Clinton's time, before he was thrown out, he instituted the Million Solar Roofs program for America.

CHAIR—Did he do it?

Dr Pain—He started it, and then he was replaced. It is an ongoing program, because the United States does have a commitment to renewable energy sources, but it is not as strong under the Republican government. Create a demand for either solar water heating, which reduces the energy consumption of a household by 30 per cent, or solar panels which feed back into the community grid. Now that the technology is available it is very simple to send excess energy when you are not using it back into the grid. If it were a government initiative to create one million solar roofs for Australia, it would be wonderful, because we could employ the people with skills who are not getting enough work at the moment: fitters, electricians, plumbers, assemblers, factories and so on. The funding for that can come easily through the cash rich banks by extending mortgages—a 25-year home loan to as little as 26 years. That would fully fund the project. That is as an example.

Mrs Jenkins—I have another one that is an excellent example. This was given at the conference, and it was job creation action from a rural perspective.

CHAIR—Is this in your solutions? Go for it.

Mrs Jenkins—Yes. It is an excellent one, because populations are decreasing in rural areas. The whole population have got behind this project, and it is written in the conference report so you can read it. It is written as an example to be used in other areas. A lot of rural towns are doing this; they have to, if they are going to survive. Another area for rural and city towns is in the creation of ideas in tourism. At the moment, tourism seems to be controlled by overseas interests. For instance, in Perth city every hotel is overseas owned and the population is not really gaining an awful lot.

CHAIR—What is wrong if it is overseas owned? What does that mean for employment?

Mrs Jenkins—Profit goes back overseas.

CHAIR—Yes, but they are still providing jobs here in Australia.

Mr RANDALL—And they pay taxes here.

CHAIR—I am just talking about it from the point of view of employment. Why would the ownership of that company diminish that company's ability to employ people?

Mrs Jenkins—What I am saying is that an alternative is a huge bed and breakfast industry like in Ireland.

CHAIR—We have that in Australia now.

Mrs Jenkins—No, it is very small here in Western Australia—very small.

Mr RANDALL—With due respect, Mr Chairman, this just flies in the face of the fact that the tourism industry, for example, in this country is growing in a very healthy way.

CHAIR—It is the largest industry in Australia.

Mr RANDALL—It is one of the biggest generators of jobs in this country, and you are saying it is not doing its job.

Mrs Jenkins—No, I am not saying that. I am saying they are not looking at alternatives.

Mr RANDALL—Your rhetoric does not support the actual facts.

Mrs Jenkins—There are alternatives. Bed and breakfast is an alternative.

CHAIR—You are right. Bed and breakfast is valuable for tourism, but that is a different sector. You always have the need for your city based hotels. You are always going to need that because people want to come to the city.

Mrs Jenkins—Yes, I agree.

CHAIR—But you also have your niche tourism regions—Margaret River or further down—where you have people establishing bed and breakfasts along the way. Whether or not Western Australia is caught up at the same level or pace as perhaps some in the eastern states is debatable. Certainly I cannot comment for Western Australia, but the B&Bs and niche tourism in the eastern states have flourished dramatically.

Dr Pain—It is a problem in Western Australia. If you drive down directly to Albany, there is very little employment opportunity right along that entire route.

CHAIR—There is an opportunity for local entrepreneurs, as they see their towns diminish.

Dr Pain—It comes back to the capital problem: how do they fund it?

Mrs Jenkins—What I am saying is that the present system to set up small business has to be looked at from a tax perspective because a lot of small businesses do not turn a profit for about three years, maybe. The cost of local government registry and all these things prevent many people taking the step, especially mature people who may think this is a good prospect. They have a good idea and a good prospect for the future, but then they look into it and think, ‘Oh, no, this is too difficult,’ because of the red tape—not only by state government but local government as well—and insurances. The insurance is killing small businesses from developing.

CHAIR—You are right there, and the biggest influence on small businesses really gets down to local government, particularly the planning laws and all those other things. You mentioned—I think it might have been you, Mary—that there are seven unemployed people per job application, yet we know from evidence that has been given to us—and certainly I know from my part of the world in Victoria—that there are thousands of jobs which people cannot fill, particularly in certain apprenticeships and traineeships. While there are some jobs where you will have a queue for a vacancy, there are also industries in which we just cannot fill jobs.

Dr Pain—But why can't we encourage workers to take on a suitable prospect and train them in that initial six-month period, say? One of the things that stopped apprenticeships was the introduction of the GST.

CHAIR—No, we are going in reverse. There are apprenticeships and traineeships that we cannot fill. In other words, there is nobody applying for the job.

Dr Pain—I think part of the reason there is breakdown of the Commonwealth Employment Service, which was an excellent network. What has happened is a decentralisation of information. It is now a more inefficient system when trying to find out where these vacancies are.

Mrs Jenkins—Maybe it is the cost of TAFE as well and the breakdown of the TAFE system.

CHAIR—It has nothing to do with that at all. From all the evidence that we have received and from directly talking to the kids, it is that the traineeships and apprenticeships are not considered attractive because of the low wage for the first-year apprenticeship. That has come out in numerous evidence.

Mr WILKIE—It is mainly Queensland, not so much the rest of the country.

Dr Pain—Where they have a lower school completion rate, anyway, than the national average. That is another issue. Alan Carpenter is trying to bring up school completion and then present people with alternatives to university in the final year of their education.

CHAIR—Before I hand over to Kim, there is one other point in your submission which really worries me, and I am not sure whether there is hard evidence on this. This is where perhaps I go to my comment about assumptions. You mention in your submission that today there will be 10 people who will commit suicide because they are demoralised at not getting a job. Where is the evidence on that? You are telling me that there are 70 people who are committing suicide each week because they are unable to get a job?

Dr Pain—Yes, and it has recently been proven that 80 per cent of youth suicide is unemployed youth.

CHAIR—They might be unemployed, but is that the reason why they are committing suicide?

Mrs Jenkins—They are committing suicide because they have been led into mental health problems, and because they have mental health problems, they are sick people. They commit suicide. Originally, the breakdown starts somewhere. It is the same with violence in the

community. The breakdown is because idle hands have got nothing else to do. They take drugs and they get into trouble and things like that. I started work at 15 myself, and there was no time for getting into trouble and there was not the same violence in the community in those days, because people were busy. Now the kids in the schools think they do not have to do anything. It a social event to go to school these days.

CHAIR—For some kids.

Mrs Jenkins—It is all right if you are in a private school, but not if you are in an ordinary state school. Even in primary school the kids today have that attitude. An eight-year-old said to me only recently that he is going to leave school as soon as he can. He is going to leave school at 15. I said, ‘But it might be 17 by the time you leave school.’ He said, ‘I’m leaving at 15,’ and he was eight. He is already antisocial, and he is from a very good home with good, caring parents that are trying to do their best. What Fiona Stanley says is right.

CHAIR—I was going to leave school at 14.

Mrs Jenkins—Yes, but there was work to do then. My husband left school at 14.

CHAIR—No. I just changed my mind. As I got more and more into the education system, I realised the benefits. I am a bit concerned about you using those anecdotes as some sort of hard and fast rule.

Dr Pain—I would like to go off the record briefly, if you want specific examples of suicide.

CHAIR—No, I do not want specific examples. There is no need for specific examples.

Dr Pain—I will give you two that are factual and traceable.

CHAIR—I do not take issue with the fact that there is an increasing level of mental depression in Australia. There is no question about that. I was more concerned about the extrapolation that—

Dr Pain—There is a link to jobs.

CHAIR—there are 70 people who are committing suicide because they do not have jobs. I think not having jobs is a factor but there are a whole lot of other issues there as well.

Mr RANDALL—I just make the observation that if this is your submission and you are saying there is this link to suicide through unemployment of young people—which there very well may be—obviously there are fewer suicides as a result in the last number of years, because unemployment is lower, so that is the extrapolation to that, but—

Mrs Jenkins—It is not lower.

Mr RANDALL—I beg your pardon.

Dr Pain—It is not. If you read the ACOSS report, it talks about the hidden—

Mr RANDALL—Do you mind if I finish?

Dr Pain—Yes, fine.

Mr RANDALL—The bottom line is unemployment in this country has reduced over the last number of years substantially.

Mrs Jenkins—I am sorry, we do not accept that.

Mr RANDALL—You only have to look at the ABS figures to substantiate that.

Dr Pain—And the ABS figures are precisely what we reject.

Mrs Jenkins—Mr Chairman, could I question something?

Mr RANDALL—Can I just finish? The bottom line is—and I will say it if you want me to, Dr Pain—this is a very political report you have put in.

Dr Pain—Absolutely.

Mr RANDALL—You are running a political agenda here and it really has not been to the subject of the inquiry.

Dr Pain—If you go away and read the pages, I have covered in those initial points highly relevant information.

Mr RANDALL—I will ask the committee secretary if she will give me a copy of your report so that I can examine it further.

CHAIR—Thank you.

Mrs Jenkins—On my original report I addressed each issue in the report as it should have been. I read the report—I looked at the report—and then I read it again and I put comments on my copy, and then I researched it and put this in. As for unemployment, the ABS figures do not count people that work more than one hour a week. They are not counted as unemployed.

Dr Pain—That is a gross distortion, which is totally unacceptable.

CHAIR—We have the ABS expert back there. It has been happening for many years, though.

Dr Pain—It has to be changed and that is why I am demanding, on behalf of the Underemployed People's Union, that we get those fortnightly figures published as a matter of public interest.

CHAIR—I understand that. Whether or not the ABS counting is an hour or two hours or three hours, and whether it is valid or not, it has been happening for a while, so there is a comparison across time using the same figures.

Dr Pain—Yes. It is time for people like Don Randall to get real and to deal with this.

Mr WILKIE—It would be interesting to see what the correlation was, in terms of suicide, between the number of people who were long-term unemployed and those people who were committing suicide so that you could possibly draw comparisons.

Dr Pain—And they are the adult males who are the next level of concern over the years. Everybody says parents should never bury their children. The next level is that the grandfather should not die prematurely at his own hand.

Mr WILKIE—Has any research been undertaken, that you know of, that looks at that correlation between long-term unemployed and suicide rates?

Dr Pain—There has. I was going to bring a direct anecdote without mentioning any names. How do you imagine I felt when I had an employee invite me down to the pub to tell me that he had made a decision in his forties to either kill himself or to go overseas? It is that climate, and it is my personal experience.

CHAIR—Mr Wilkie, though, made the point: is there any evidence from a research point of view?

Mrs Jenkins—Yes. I think you should look at Newcastle—CofFEE.

CHAIR—We can always find anecdotes for every situation.

Mrs Jenkins—CofFEE Newcastle has the figures.

Dr Pain—There is evidence there.

Mrs Jenkins—I attended their conference two years ago and they have the figures.

CHAIR—There are submissions?

Mrs Jenkins—Mitchell and CofFEE.

Mr WILKIE—I would like to know when the ABS stats were changed to reflect this one or two hours. I thought that came in relatively late in the piece.

Dr Pain—No. If you ask Centrelink for the current unemployment—

Mr WILKIE—I am not talking about current.

Dr Pain—No, but I am saying if you do they say, ‘Sorry, that’s commercial-in-confidence’. That is the term they use.

Mr WILKIE—Yes. But the ABS stats on people who have been employed: you are saying if they have been employed for one or two hours a week they are considered as working.

Dr Pain—Yes.

Mr WILKIE—How long has that been the case? Do you know?

Dr Pain—Years.

Mr WILKIE—I know it is years, because this is my sixth year in parliament—and hopefully it will be longer than that—and I also used to manage a SkillShare, and I was fairly sure that that definition change came in after 1996, but I am not totally sure.

Dr Pain—We would have to check with the ABS to be definitive on that.

Mrs Jenkins—The last census left no time studies and time questions; what people did with their time. Part-time work and how they spent their time was left out of the last census. That was the 2000 census.

Dr Pain—The ACOSS paper published recently claimed 730,000 hidden underemployed, and there is the other issue of women who have never been married being put on the so-called widow's pension. These are normally divorcees just over the 50 years of age mark. They are, once again, because they are on a widow's pension, not classified as unemployed.

Mr WILKIE—I think you made a comment somewhere that the long-term unemployed rate is skyrocketing.

Dr Pain—It has doubled. That is why Wayne Swan had to go and get the freedom of information to force the numbers out of the system. They were not available to our representatives in parliament or the public, to actually have the truth, until Wayne Swan courageously went and forced that number out. That is highly relevant. We are talking just that period of eight years: a doubling of the long-term unemployed. It is dreadful. Even the H.R. Nicholls Society acknowledges that in its submission. It says, 'We have tried the draconian work test and it's failed. We're now going to have to lower wages for the lower end income earners.'

Mr WILKIE—I have a number of other questions but obviously time has expired. Dr Pain, I may not get you to comment on this now, but you mentioned earlier the US free trade agreement and its impact on jobs, particularly in the manufacturing sector. The reason I gave you my card earlier is that on 23 April the Joint Standing Committee on Treaties, which is examining the free trade agreement, will be in Perth taking evidence.

Dr Pain—Very good. Is it too late to register?

Mr WILKIE—No. You should get on to the secretariat as soon as you can and register an expression of interest to bring forward some evidence.

Dr Pain—Yes. Thank you very much.

CHAIR—Thank you for coming in. If we have any other questions we will get back to you. We will make sure that we read through your submissions as well.

Mr WILKIE—The person to contact is Julia Morris.

Mrs Jenkins—Thank you.

Dr Pain—Thank you.

Resolved (on motion by **Mr Wilkie**):

That this committee authorises publication of the proof transcript of the evidence given before it at public hearing this day.

Committee adjourned at 12.37 p.m.