

Submission
No 22

INQUIRY INTO IMPACT OF COMMONWEALTH WORKCHOICES LEGISLATION

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Theme:

Summary



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26 May 2006

The Director
Standing Committee on Social Issues
Parliament House
Macquarie Street
SYDNEY NSW 2000

SOCIAL ISSUES COMMITTEE

31 MAY 2006

RECEIVED

Dear Madam/Sir

Inquiry into the impact of Commonwealth WorkChoices Legislation

The Council of Social Service of New South Wales (NCOSS) is the peak body for the social and community services sector in New South Wales. NCOSS works with its members on behalf of disadvantaged people and communities towards achieving social justice in this State.

Please find attached a submission to the *Inquiry into Commonwealth WorkChoices Legislation*.

I hope that this submission is of use in your Inquiry. If further information is required, please contact Michelle Burrell, Deputy Director, Policy on tel 9211 2599 ext 112 or email at michelle@ncoss.org.au

Yours sincerely

Gary Moore
Director

Council of Social Service of New South Wales (NCOSS)



**Submission to Standing Committee on Social Issues Inquiry into
the impact of Commonwealth WorkChoices Legislation**

May 2006

About NCOSS

The Council of Social Service of New South Wales (NCOSS) is the peak body for the social and community services sector in New South Wales. NCOSS works with its members on behalf of disadvantaged people and communities towards achieving social justice in this State.

NCOSS provides an independent voice on human services policy issues and social and economic reforms and is the major co-ordinator for non-government social and community services. It was established in 1935 and is part of a national network of Councils of Social Service.

NCOSS membership is composed of community organisations and interested individuals. Through current membership forums, NCOSS represents more than 7,000 community organisations and over 85,000 consumers and individuals. Member organisations are diverse; including unfunded self-help groups, children's services, youth services emergency relief agencies, chronic illness organisations, local indigenous community organisations, church groups, and a range of population-specific consumer advocacy agencies.

Introduction

NCOSS welcomes the opportunity to make a submission to the *Inquiry into Commonwealth WorkChoices Legislation*. NCOSS notes that the Inquiry has wide ranging terms of reference.

NCOSS also notes the work being undertaken by the *NSW Taskforce on WorkChoices Legislation: Impact on the Community Services Sector*, chaired by the Hon Justice Marcus Einfeld. NCOSS has two representatives on that Taskforce representing both metropolitan and regional community welfare organisations. It is envisaged that the Taskforce will provide an interim report to the Minister for Community Services in June 2006.

In this submission NCOSS makes some general observations regarding the potential impact of *Work Choices* upon disadvantaged population groups and communities. These address Terms of Reference (a) to (d).

The remainder of the submission focuses upon the impacts of the legislation upon the community services industry. These comments explore potential impacts upon community organisations as both deliverers of services and also as employers. Thereby addressing Term of Reference (f).

The reforms

The major reforms under *WorkChoices* are:

- a. *The creation of a single national industrial relations system.*
- b. *Changes to minimum wage setting.*
- c. *Changes to minimum employment conditions in awards and legislation so that only five conditions are mandated in a workplace agreement.* These are: maximum hours of work; annual leave; personal/carer's leave; parental leave and public holidays.

NCOSS notes that existing award provisions relating to long service leave, superannuation, jury service, overtime loading, shift loading, penalty rates for weekends and public holidays, meal breaks, annual leave loading and notice of termination will continue to apply under existing awards, but will be excluded in new awards.

NCOSS also notes that some allowable matters under the previous system (such as provisions relating to trade union training leave, restrictions on an employer's ability to hire independent contractors and labour hire workers etc) have become unenforceable under *WorkChoices*.

- d. *Changes to workplace agreements.* NCOSS notes that under *Work Choices*, workplace agreements no longer need to pass the 'no disadvantage test'.¹
- e. *Changes to laws relating to industrial action.*
- f. *Changes to unfair dismissal laws.*

NCOSS notes that businesses with fewer than 100 employees are now exempt from unfair dismissal laws; all businesses, regardless of size, are able to dismiss employees where the dismissals are for 'operational reasons'; and employees wishing to bring claims of unfair dismissal against an employer must have worked for the organisation for a minimum period of six months, as opposed to three months under the prior system.

General observations – Impacts on disadvantaged population groups and communities

NCOSS is concerned that the interaction of these major reforms will result in increased hardship and disadvantage for unskilled, low paid and marginalized workers and their families. This population group is already significantly disadvantaged in the labour market and broader community.

¹ Prior to *Work Choices*, all workplace agreements needed to pass the 'no disadvantage test', which ensured that workers entering into such agreements did not receive wages or conditions inferior to those of similar workers governed by an industrial award.

The interactions between the *WorkChoices* legislation and the Commonwealth's 'Welfare to Work' reform agenda further entrench this disadvantage, particularly for women and people with disabilities being forced into low paid employment under the *Welfare to Work* system.

NCOSS is particularly concerned that *WorkChoices* will lead to increased job insecurity, reductions in pay and conditions and increased casualisation of the workforce. These changes will all increase demand for community services through a combination of increased disadvantage and negative impacts upon individual and family wellbeing.

NCOSS urges the NSW Government to take positive measures to ameliorate the effects of *WorkChoices* upon low income and disadvantaged people in NSW.

Policy responses should include the provision of more affordable housing; a new approach to concessions policy and practice; implementation of additional employment programs; legislation to protect human rights; and strengthening the NSW community sector through a fair and just indexation policy.

Specific comments on the Terms of Reference:

(a) The ability of workers to genuinely bargain, focusing on groups such as women, youth and casual employees and impact upon wages, conditions and security of employment.

Unskilled, low-paid and marginalized workers and their families in NSW are already disadvantaged:

It is well accepted that workers who receive low pay or minimum wages are more likely to be from a disadvantaged background. The Senate Inquiry into Poverty and Financial Hardship (2004) found that "The demographic characteristics of low-paid workers show that women, workers with no post-secondary educational qualifications and younger workers are over represented in this group... Almost half (46 per cent) of low paid employees are persons who had left school before completing secondary school. Also, younger adults, those aged under 30 years, have a higher representation in the low paid group than older workers... As to geographical location, workers living in rural areas and small urban centres were more likely to be in low paid jobs. Persons born in a non-English speaking country also have a slightly higher likelihood of being in low paid employment".²

Low pay workers have the least capacity to bargain

² *A hand up not a hand out: Renewing the fight against poverty* (2004) p 74
http://www.aph.gov.au/senate/committee/clac_ctte/completed_inquiries/2002-04/poverty/report/index (accessed 22 May 2006).

Because unskilled work requires less training or experience than skilled occupations, individual workers are more easily replaced. Generally, the unskilled and low paid labour market sees a higher turnover than the remainder of the labour market.³

This equates with lower bargaining power, particularly on an individual level. In addition, unskilled workers are more likely to have lower levels of education, may have less understanding of complex legal documents and certainly will have less access to costly legal representation.

The removal of the no disadvantage test for enterprise bargaining agreements and Australian Workplace Agreements (AWAs) is of great concern. *WorkChoices* relies heavily on negotiation of pay and conditions and fails to consider the unequal bargaining position of the low paid worker compared to the employer.

At the extreme end of the spectrum, some low pay workers are illiterate, some have intellectual disabilities, and many are below 18 years of age. These groups will experience the worst effects on their wages and conditions and may become more reliant on government and community services as a result.

The move away from industrial awards and certified agreements will affect the pay and conditions of this already disadvantaged group of workers

Since the crux of the new industrial relations system is individual negotiation this inferior bargaining position effectively shuts out low paid and unskilled workers from any perceived benefits that may attach to the *WorkChoices* legislation.

Due to the interplay of structural and personal factors, it is reasonable to suggest that unskilled and low pay workers are more likely to have traditionally relied on industrial awards and employee protection legislation than other workers.

The considerable reduction of allowable matters in awards may reduce the entitlements of low pay workers over time. In particular, workers will likely have reduced access to overtime and shift work loadings, annual leave loadings, and penalty rates for public holidays and weekend work.

Thus the movement away from the award system will have a much greater effect on the pay and conditions of this group than skilled workers.

For example, hospitality industry workers are already heavily reliant upon part-time or casual penalty rates to supplement their low wages. With the

³ ABS longitudinal data indicates that 20per cent of employees who were in low-paid jobs in Sept 1995 were unemployed two years later, compared with only 8.6per cent of higher wage earners. Australian Bureau of Statistics (ABS) (2000a) *Labour Market Outcomes of Low Paid Adult Workers: An Application Using the Survey of Employment and Unemployment Patterns*, Occasional Paper, Cat. No. 6293.0.00.005, Canberra

increased use of Australian Workplace Agreements in that industry many of these workers will experience a significant reduction in wages.

Minimum wage growth may be lower compared to the median wage, leading to workforce disincentives

NCOSS is concerned that the establishment of the Fair Pay Commission may see growth in the minimum wage in the future to be lower than under the Australian Industrial Relations Commission (AIRC) system. A minute from the Department of Treasury to the Treasurer⁴ suggests that this may be the case.

In addition, lower relative wages will reduce the incentive for unemployed people and those in the marginal workforce to increase their labour force participation. This is particularly the case for people with rising costs associated with work, for example, childcare costs.

Modeling by the Brotherhood of St Lawrence⁵ indicates that a single parent with two children now faces effective tax rates as high as 61 per cent and as high as 77 per cent when out-of-pocket child care costs are taken into account.

Table 1: Returns from work for a single mother with two children after taxes and benefit withdrawal*

Hours work per week	Earnings	Disposable income**	Amount of earning kept	Proportion of earnings kept
None	\$0	\$486	-	-
5	\$65	\$534	\$48	74%
10	\$130	\$558	\$72	55 %
15	\$195	\$575	\$88	45 %
20	\$260	\$594	\$107	41%
25	\$325	\$616	\$129	40 %
30	\$390	\$638	\$151	39 %
35	\$455	\$672	\$186	41%
40	\$520	\$715	\$229	44%

⁴ Department of Treasury (2005) *Workplace Relations Policy Announcement*, Treasury Minute, Canberra http://www.treasury.gov.au/documents/1049/PDF/Treasury_PR_11_Minute.pdf

⁵<http://www.bsl.org.au/main.asp?PageId=3882> (accessed 22 May 2006)

**Based on single parent with children aged 8-12 years, with maximum rent assistance and working at minimum wage rate of \$13 per hour*

***Income after taxes and benefit withdrawal*

Table 2: Returns from work for a single mum with two children after taxes and benefit withdrawal AND out-of-pocket child-care expenses*

Hours work per week	Earnings	Disposable income**	Amount of earning kept	Proportion of earnings kept
None	\$0	\$486	-	-
5	\$65	\$524	\$38	58%
10	\$130	\$538	\$52	40 %
15	\$195	\$545	\$58	30 %
20	\$260	\$554	\$67	26 %
25	\$325	\$566	\$79	24 %
30	\$390	\$578	\$91	23 %
35	\$455	\$602	\$116	26%
40	\$520	\$535	\$149	29 %

**Based on single parent with children aged 8-12 years, with maximum rent assistance and working at minimum wage rate of \$13 per hour*

***Income after taxes and benefit withdrawal and out-of-pocket child-care expenses of approximately \$2 per hour*

This slower growth in minimum wages will likely increase income inequality in NSW with subsequent flow-ons to the NSW economy. Of particular concern is how workers in low paid employment will meet basic costs such as housing, utilities and transport given the much higher than CPI increases we have seen in those essential items in the last few years.

It is not difficult to see how increased financial insecurity upon households already at the margins can translate into significant pressure upon families and individuals in regards to potential debt, inadequate nutrition, housing related poverty, anxiety and depression, family breakdown and violence.

The Australian Institute of Health and Welfare (AIHW) reports that families with the lowest levels of income are more than twice as likely to report that family cohesion as poor to fair compared to families in the highest income bracket.⁶ The effects of low income and poverty upon child wellbeing are also well understood

⁶ Australian Institute of Health and Welfare (2005) *A Picture of Australia's Children*, Canberra, p.79

“Living in a family with low income can affect a child’s nutrition, their access to medical care, the level of stress in the home and the quality and stability of their care ... In addition, research confirms that for a number of health and social outcomes, including socio-emotional functioning, mental health, physical health, educational attainment and later employment prospects, children in the lowest income groups are at a higher risk of disadvantage than other children.”⁷

These connections are very familiar to the community sector. On a daily basis organizations attempt to respond to unmet demand for support, provide debt counseling, advise on benefits, provide emergency relief and deliver the full gamut of human services interventions to assist households experiencing poverty and disadvantage..

Changes to unfair dismissal laws will increase job insecurity and contribute to churning in the low paid labour market

Under *WorkChoices*, workers do not have access to the unfair dismissal process in their first six months of employment, or if their employer has fewer than 100 employees. NCOSS can see no reason while workers for small and medium businesses deserve less protection than those working for larger businesses.

NCOSS notes that out of a total workforce of approximately 2.8 million people in NSW, the average number of claims for unfair dismissal per year was in the order of 5,600. This figure includes claims in both the Federal and State Industrial Commissions. It does not suggest a flood of litigation under the former system.

The removal of comprehensive unfair dismissal protection will impact upon a sizeable proportion of the workforce. It will likely mean people feel less economically secure, which impacts upon the broader economy as people’s confidence declines.

Changes to unfair dismissal laws will have particular impacts upon low paid workers who are more likely to work for small and medium sized firms and are less likely to be able to afford a private lawyer to bring an alternative claim. This in turn could impact directly upon demand for community legal services which are already overstretched.

(b) Impact on rural communities

Recognising that workers living in rural areas and regional centres are more likely to be in low paid jobs,⁸ the impacts discussed elsewhere in this submission will apply.

⁷ Ibid, p 80

⁸ *A hand up not a hand out: Renewing the fight against poverty* (2004) p 74

Regional NGO's have indicated concern that the negative impacts of individual bargaining may have a multiplier effect in small towns where if one employer reduces wages and entitlements others will follow. This would be more likely to occur in the bottom end of the labour market in areas where there is higher than average unemployment and competition for jobs is more intense. For example in Wollongong where the current rate of unemployment is 8.1 per cent compared to the 5.6 per cent state average⁹.

It should also be noted that the provision of community services in rural areas is often significantly lower than in metropolitan and large regional centres due to factors including distance.

c) Impact on gender equity including pay gaps

Australian women working full time currently earn 85.1 per cent of the earnings of Australian men working full time.

Paradoxically, although women are more likely to be primary carers they are less likely to have paid leave entitlements than men. 31 per cent of female employees have no paid leave entitlements, compared with 23 per cent of men.¹⁰

Approximately 62 per cent of women in employment do not have access to paid maternity leave.¹¹

There is a danger that women, who still have primary responsibility for caring and family functioning and therefore require flexible working conditions, and who have yet to achieve pay parity may be caught in a double bind where they feel compelled to trade away pay and other conditions such as leave for family purposes or flexible hours.

NCOSS is also concerned that *WorkChoices* has failed to adopt the AIRC test case decision allowing women to request additional unpaid maternity leave and the right to return to part-time work when they resume their former job. Rather than enshrine this important family friendly provision, it has been deemed a 'not allowable matter' under the legislation.

NCOSS also notes that neither NSW or Federal anti-discrimination legislation has been strengthened in relation to employers' obligations to accommodate employees' family responsibilities. This is a significant lost opportunity in light of

http://www.aph.gov.au/senate/committee/clac_ctte/completed_inquiries/2002-04/poverty/report/index (accessed 22 May 2006).

⁹ Garnuat John "Jobs hit as opportunity knocks elsewhere" *Sydney Morning Herald* 19 May 2006, p8

¹⁰ Australian Bureau of Statistics (ABS) (2005) *Employee Earnings, Benefits and Trade Union Membership, Australia*, Cat. No. 6310.0, Canberra.

¹¹ ABS 6361.0 *Survey of Employment Arrangements and Superannuation* April - June 2000 unpublished data

the increased pressure women are likely to face to trade wages against entitlements.

We also submit that the harsh impacts discussed above will be exacerbated for women from culturally and linguistically diverse communities, Indigenous women, older women and women with disability. These intersectionalities are complex but at the most simple level there is a clear correlation between low income and the intersection of gender, race, age and disability.

(d) The impact on balancing work and family responsibilities

NCOSS notes the analysis of individual workplace agreements in Western Australia for the period 1996, 1999 and 2002 undertaken by the Australian Centre for Industrial Relations, Research and Training (ACIRT). They reported that individual contracts “did not provide a fair and equitable safety net of wages and conditions” and “invariably provided open-ended hours of work under the guise of flexibility, with management and business needs being the key drivers”.¹²

A significant proportion of low earning and part-time employees are in casual employment who rarely have access to paid leave entitlements. This creates significant difficulties in balancing work with family, caring and community responsibilities.

Of the 2.28 million employees without leave entitlements in August 2005:

- 65per cent were part-time employees;
- 54per cent were female;
- 20per cent were aged 15-19; and
- 30per cent earned less than \$200 per week in their main job.¹³

62per cent of Australians earning less than \$400 per week have no paid leave benefits at all, and less than 10per cent have access to paid parental or maternity leave. By contrast, only 8.3per cent of Australians earning more than \$1000 a week have no paid leave entitlements, and nearly 40per cent have access to paid parental or maternity leave.¹⁴

¹² Cited in Opposition Senators’ Report, Senate Employment, Workplace Relations and Education Legislation Committee’s Report on Provisions of the Workplace Relations Amendment (Work Choices) Bill 2005, Commonwealth of Australia, 2005, pp. 73-74

¹³ Australian Bureau of Statistics (ABS) (2005) *Employee Earnings, Benefits and Trade Union Membership, Australia*, Cat. No. 6310.0, Canberra

¹⁴ Australian Bureau of Statistics (ABS) (2005) *Employee Earnings, Benefits and Trade Union Membership, Australia*, Cat. No. 6310.0, Canberra.

This data shows that we are already coming off a very inequitable base for entitlements that promote work and life balance. NCOSS is concerned that this trend will be exacerbated by the *WorkChoices* legislation as low paid workers are less likely to be able to effectively bargain for better entitlements under workplace agreements (or even maintain the entitlements they have at the moment).

Whilst immediate and inter-related impacts of *Welfare to Work* and *WorkChoices* are likely to hit sole parent families hardest first, the general erosion of entitlements and incomes of working poor families relative to the median wage will over time contribute to the relative disadvantage faced by children in these family environments.

(f) The impact on employers and especially small business

This section of the submission focuses upon the impacts of *WorkChoices* on the community sector – both as employers and as providers of services. It should be noted that the community sector is a significant part of the Australian and NSW economies. NCOSS estimates that there are at least 7,000 NGO's in NSW, most of which are of small to medium size.

Expansion in demand

NCOSS expects that the increase in job insecurity and the pressure this creates on households will over time, increase reliance on community services. This is likely to be most significantly felt in the areas of emergency relief and crisis services as households are exposed to being unable to afford food, housing and other basics.

Increased economic insecurity may also have a ripple effect upon other social problems, such as depression and other mental illnesses, substance dependency, homelessness, family breakdown and domestic violence.

Of particular concern for Sydney and major regional centres is the housing affordability problems that may flow from lower wages and increased job insecurity. 183,000 households in Sydney already experience housing stress, by paying more than 30 per cent of their income in housing costs¹⁵. Yates and Gabriel estimate that over one third of Australians experiencing housing stress (301,000 households) live in NSW.¹⁶

With a housing market typified by high entry costs, expensive rents and mortgages and a significant shortage of low-cost housing options, additional pressure on working households already doing it tough is most unwelcome.

¹⁵ Australian Housing and Urban Research Institute (2006) *Housing Affordability in Australia, Research Synthesis Edition, Issue 68 February 2006*, p1

¹⁶ Cited in Australian Housing and Urban Research Institute (2006) *Housing Affordability in Australia, Research Synthesis Edition, Issue 68 February 2006*, p2

Expansion in demand for community services may impact in areas where there is already significant unmet need. For example, carers may find it more difficult to combine paid work with their caring responsibilities if their leave entitlements are eroded. Unfortunately respite care is already under-funded and places are extremely difficult to secure in many parts of the state.

In the absence of available respite services, some carers may have to withdraw from the workforce. Such a result is in direct contradiction to the aim of increased workforce participation.

Volunteering

In a similar vein, if leave entitlements and conditions are eroded, then volunteers may find it more difficult to combine paid work with their volunteering and community responsibilities.

Community organisations rely heavily on volunteers. The governance structure of community sector organisations is provided by volunteers, with boards and committees relying on volunteer members. Many community organisations also rely heavily on volunteers for service delivery.

41 per cent of Australians volunteered in the year to January 2005, contributing a total of 836 million hours of benefit to Australian communities.¹⁷

Nationally, over 70 per cent of volunteers are working, and employed people have a higher rate of volunteering than those without employment (35.2 per cent and 25.8 per cent, respectively). Men are most likely to volunteer for a sporting organisation, whereas women are most likely to volunteer for a community or welfare organisation.¹⁸

For those organizations that rely almost solely on volunteers the flow on from loss of leave entitlements will be most harshly felt. This could lead to service reductions, particularly in direct services that are most heavily reliant on volunteer labour (eg Emergency Relief, Home and Community Care services).

Uncertainty around the application of WorkChoices to the community sector as employers and impacts upon working conditions

Whilst community sector organisations do their best to reward their staff appropriately this can be difficult to achieve in an operational environment where

¹⁷ Volunteering Australia, *Submission to the Senate Employment, Workplace Relations and Education Legislation Committee's Inquiry into the Provisions of the Workplace Relations Amendment (Work Choices) Bill 2005*, November 2005, p. 2

¹⁸ Australian Bureau of Statistics (ABS) (2001) *Voluntary Work, Australia*, Cat. No. 4441.0, Canberra

funding does not meet the true cost of service provision. As a result community sector workers are often poorly remunerated, and earn significantly less than public sector workers undertaking the same tasks. They may also have fewer entitlements and work in much poorer physical environments.

The *WorkChoices* legislation needs to be seen in the context of this complex and challenging environment.

NCOSS considers that the majority of community organizations in NSW continue to be bound by the SACS Award. However, we acknowledge that for some organizations the definitional issue of a “constitutional corporation” and in particular what constitutes significant trading is creating uncertainty and anxiety.

For non-profit bodies determining whether the organization is undertaking trading activities may not always be a straightforward exercise. An organization may be funded primarily through government grants and yet still have sufficient trading activities to qualify as a trading corporation and hence a constitutional corporation to which *WorkChoices* applies.

The main question appears to be whether trading activities are significant. However defining what is significant and what is not is no easy task, particularly for organizations who provide fee for service activities (which are increasingly a requirement of funding agreements); operate charity shops or rent out property for a charge.

Because of the diversity of the community services sector there is no easy answer on the question of whether an entity is covered by *WorkChoices*. This uncertainty creates significant risk for community services.

Due to its complexity, for those organizations who are covered, significant time, energy and money is likely to be needed for advice relating to *WorkChoices*. For small and medium sized organizations without specialist human resources expertise, additional costs will be incurred in seeking that advice and ensuring the organization does not accidentally contravene the Act.

How should the NSW government respond to *WorkChoices*?

Given that the *WorkChoices* legislation has now been operationalized the NSW Government also needs to turn its attention to its own policy response and develop ways ameliorating the worst impacts of the reforms.

Concessions

The NSW Government provides a range of concessions to low-income residents. Unfortunately the current concessions system is haphazard and does not produce the best equity outcomes required.

For example, A notable low income group that does not have entitlement to a transport concession fare are people who work part time for low remuneration. Often these workers need to use public transport to attend their place of employment, but due to low hours worked or low wages face disproportionately high fare costs. Aboriginal people employed through Community Development Employment Projects (CDEP) are another group who currently are not entitled to a concession, despite receiving an income level that is only marginally higher than a basic NewStart allowance.

The Ministry for Transport is currently reviewing its transport concession policy. NCOSS recommends that the Pensioner Excursion Ticket (PET) be made available to all health care card holders (bringing NSW into line with transport systems in other jurisdictions such as Melbourne and Perth).

Training opportunities and employment programs

In recent years, the NSW government has withdrawn from important employment programs such as the Mature Workers Scheme. In contrast, other states have invested more heavily in employment programs. See for example the Tasmanian Government's 'Partnerships to Jobs' Program¹⁹ which funds community not-for-profit to manage projects that increase employment opportunities for disadvantaged job seekers.

Provision of affordable housing

As mentioned above, a key concern is that housing insecurity will likely be exacerbated. A renewed commitment to increasing the provision of affordable housing, both to own and rent that is backed up by real dollars is desperately needed.

Strengthening human rights

Unlike the ACT and very shortly Victoria, NSW does not have a comprehensive human rights legislative instrument. Australia is one of only three countries (Burma and Iran being the others) which does not have a national human rights or Bill of Rights law.

Articles 6, 7, and 8 of the *International Covenant of Social, Economic and Cultural Rights* include the right to work, the right to just conditions of work, the right to join a trade union and the right to strike.

¹⁹ See <http://www.development.tas.gov.au/workforce/jobs.html>

The NSW Government could show leadership by including such human rights protections in future legislation, thereby providing greater protection for workers as far as is possible under NSW law. Ideally this would be through a Charter of Human Rights for NSW.

Strengthening the NSW community sector

Community services that work with disadvantaged people can reasonably expect increased demand as a flow on from the *WorkChoices* legislation. An important element of any NSW policy response must be to ensure that community sector organizations are properly resourced to carry out their role.

The viability of the community sector is being threatened by inadequate funding indexation. For many years, operating and wage costs for non-government agencies have been increasing at a higher rate than the consumer price index. Cost increases have included wage increases (SACS award), superannuation, insurance premiums and other back office costs such as information technology.

The NSW government must commit to a proper indexation agreement with the sector to ensure that funding for community organisations meets the real costs of delivering services.

At the time of writing this submission NCOSS is awaiting the outcome of the NSW state budget. NCOSS estimates that the minimum level of indexation required to meet the SACS Award is 3.4 per cent annually for the next three years.

Whilst this level of indexation does not resolve the historic under-funding of community services and does not solve the inequities between public sector and community sector remuneration it would at least be consistent with the NSW Government's commitment to the principle of industry awards.

It is contradictory for the NSW Government to say it is opposed to *WorkChoices* and launch a High Court challenge on one hand and then on the other refuse to adequately fund award increases. Particularly when the industry in question is highly likely to be relied upon to respond to the negative social consequences of the *WorkChoices* legislation.

Conclusion

NCOSS is particularly concerned that *WorkChoices* will lead to increased job insecurity, reductions in pay and conditions and increased casualisation of the workforce. These changes will all increase demand for community services through a combination of increased disadvantage and negative impacts upon individual and family wellbeing.

NCOSS urges the NSW Government to take positive measures to ameliorate the effects of *WorkChoices* upon low income and disadvantaged people in NSW.

Policy responses should include the provision of more affordable housing; a new approach to concessions policy and practice; implementation of additional employment programs; legislation to protect human rights; and strengthening the NSW community sector through a fair and just indexation policy.