THE HOUSE OF ASSEMBLY SELECT COMMITTEE ON WORKCHOICES LEGISLATION MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART, ON THURSDAY 26 APRIL 2007.

REVEREND ROSALIND TERRY, CHAIRPERSON OF THE PRESBYTERY OF TASMANIA, UNITING CHURCH IN AUSTRALIA, **REVEREND NATALIE ANNE DIXON**, YOUTH MINISTRY FACILITATOR, PRESBYTERY OF TASMANIA, AND **REVEREND ANTHONY McMULLEN**, SOCIAL JUSTICE OFFICER, JUSTICE AND INTERNATIONAL MISSION UNIT, UNITING CHURCH OF VICTORIA AND TASMANIA, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR (Mr Sturges) - Let me welcome you to the Tasmanian Parliament Select Committee on WorkChoices. I will very broadly overview the intent of the select committee and that is to have a look at how the WorkChoices legislation might be positively, negatively or whatever impacting on Tasmanian workers and their families. So thank you very much for taking the opportunity to come along. I note you have a written submission and I will now open up for any verbal evidence that you would like to give.

Rev. TERRY - I am here in my capacity as chairperson of the Tasmanian Presbytery of the Uniting Church in Australia. Anthony McMullen is the social justice officer, Justice and International Mission Unit of the Synod of Victoria and Tasmania and Natalie is now working part-time in the Presbytery of Tasmania in the areas of social justice and youth.

In Tasmania the Uniting Church employs about 1 000 Tasmanians, all on State awards, federally-registered enterprise bargaining agreements or church-based stipends for clergy.

Thank you for inviting the Uniting Church to make a submission to the select committee. We are disappointed that the committee does not have a representative from the Liberal Opposition as we do not want to make a party political statement. We want to contribute to the ongoing debate about workplace justice.

Our written submission to this committee plays special attention to being even-handed in approach. We make recommendations to both the Commonwealth and State tiers of government. The material in our written submission is well documented but perhaps I could tell you just two comments from our minister at Bridgewater/Gagebrook, the Rev. John McRae, which are not in our written submission as I only heard them this morning.

Rev. McRae has recently been talking with a young man from the area, Bridgewater/Gagebrook, who believed he had been employed in a full-time capacity. He is now finding that his boss only calls him into work when he is needed, sometimes as little as one day in four. This young man is on a workplace agreement, the details of which he did not understand. It makes budgeting impossible and is destructive of home life.

On a broader scale, most young people from the area, both school leavers and those in their 20s, find themselves in very poor work arrangements if they can obtain any employment at all. Being out of town from that particular area and reliant on public transport hinders their job prospects. Many of our ministers could tell similar stories of disadvantage through inadequate education, mental illness, despised home address or lack of housing and poor understanding of their rights within the complex system of work and welfare arrangements.

Now I hand over to Natalie to talk about the theology behind our submission and to make some comments on the nexus between welfare to work and WorkChoices. We believe they go hand in hand. Then I will hand over to Anthony who will talk about WorkChoices with special reference to the clothing industry in Tasmania.

CHAIR - Thank you Rosalind and Natalie.

Rev. DIXON - We wanted to present a theological perspective of the church on personhood and work because I think we want to make a stance on our belief about what it means to be human and our belief therefore about what sort of work context people are called into.

The first thing is that the Judaeo-Christian perspective on humanity is that we are all purposefully created and created in the image of God. For us then, as a faith community, we say that all human life is of value and should be treated with the respect and dignity which God intended it to have. The church believes that any work environment should be a place where all people are respected and given dignified working conditions and responsibilities.

The creation narrative in the Bible in the first book of Genesis reminds us that work and the desire to create are an essential part of what it means to be human and to be made in the likeness of God. It also tells us that work creating ends in rest. We have a strong tradition of the Sabbath, of an allocated time of rest where the human soul, body and mind have an opportunity to be restored and to be refreshed for the work and the week to come. As a church we want to say that all work environments needs to honour the need and the value of rest for people's health and wholeness.

The creation narrative also tells us that to be human is to be relational. We do not exist in isolation but are created to be in relationship in community with others. It is the web of relationships that give people a sense of belonging, meaning and purpose. When the work context begins to take up the time that people have to spend with their children, their families and their friends it actually denies people's essential need for connection and for relationship. When workers are set up against each other in individual bargaining they are then placed in a situation in competition with fellow work colleagues thus eroding the sense of community in their workplace. When work consumes a substantial part of people's lives they have very little left to give to others and to their community.

The creation narrative also tells us that we were created with free will, the ability to create good and, unfortunately, the ability to create ill in the world. We all know that humanity has its flaws which is precisely why we legislate to protect ourselves from those who may wish to harm us.

I am now going to talk a little bit about our concerns about the nexus between the Welfare to Work policy and the WorkChoices Act. We feel this is an area that has not been looked at a lot. We feel that the WorkChoices act is being looked at in isolation to the Welfare to Work policy. In fact, we believe the two go hand-in-hand and that cannot be talked about in isolation.

From a personal perspective, I would like to say I have gained some insight into this. I have been unemployed for the last couple of months. I moved back to Tassie and have officially been on unemployment benefits for two-and-a-half months. It has been a very interesting experience, first-hand, to see and experience the punitive nature of the system and also to have conversations with a lot of people while standing in line to hand forms in. It has been a very interesting process.

The last five years I have spent working in Outreach, supporting people with mental illnesses, and that has not been in Tasmania but I have had experience of people who work here at similar things. I have worked with untreated mentally ill - chronic mentally ill people - and I have also come from working with prisoners in Victoria - people who would be considered right at the bottom rung of a lot of these places and people who are deeply affected by this Welfare to Work program, and I have grave concerns for them.

In July 2006, the punitive Commonwealth - and we are happy to say 'punitive' - initiated Welfare to Work legislation payments for the poorest Australians took effect. These rules have meant that many people applying for payments after July 2006 have less money to live on than those who applied before this date. Those who do not meet Centrelink requirements can actually lose their payments for up to eight weeks. There is a strong policy relationship between WorkChoices and Welfare to Work which can result in people with disabilities, sole parents and the long-term unemployed being coerced into work that offers potentially below award conditions - for example, loss of public holidays, meal breaks, overtime - because of the removal of the already mentioned no-disadvantage test. We talk about the no-disadvantage test earlier in our submission.

It is true that such work must be suitable - for example, social security recipients are not required to work in the sex industry - however, work that does not provide family-friendly conditions - for example, requirements to work on Sundays - must be taken or loss of social security payments can occur. It has been argued that because of low unemployment rates those looking for work will be able to effectively bargain for work conditions above the Australian fair pay and conditions standards. For the same reason, it is also popularly believed that those looking for work will be able to find it more easily at the present time.

However, as the executive director of the Brotherhood of St Lawrence recently pointed out, even though the official Australian Bureau of Statistics unemployment figures currently at 4.5 per cent are very positive, when in fact you take into account the unemployment and the underemployment, we actually have a labour force of under-utilisation rate of nearly 10 per cent.

According to information given at Senate Estimates, around 14 000 people a year will have their social security payments cut off for eight weeks while receiving no financial case management to help meet basic living costs. When unemployed, social security

recipients must comply with conditions set by Centrelink, such as attending interviews and assessments. If you miss three such appointments, you may lose your payments for eight weeks - this is commonly known as the three strikes - or if you receive an unfavourable employer separation certificate you may also lose your payment but, in this case, for one strike and this is the part where we see the deep connection between the WorkChoices and Welfare to Work.

The *Australian* newspaper reports that 60 per cent of the social security recipients have lost their payments for this reason - that is the first strike, the unfavourable employer separation certificate. The *Australian* has also recently reported that due to this policy, of the 7 500 people who have lost payments in the past nine months, only 500 people have been deemed vulnerable and therefore receive financial case management assistance to help them with living expenses, so that is 500 of the 7 500.

The criteria for receiving such assistance are very tight. The *Sydney Morning Herald* reported this year a woman had her - a pregnant woman, I think it was, wasn't it?

Rev. McMULLEN - Yes.

Rev. DIXON - A pregnant woman had her social security payments cut off for eight weeks and was not given any extra financial help because she was not considered vulnerable.

There are also other dilemmas that appear to be emerging at the intersection between the WorkChoices and Welfare to Work. What follows is an example that we have had from Victoria. We are not completely clear of the details but it is a possible scenario.

A community group of trade unionists, the Community Sector Solidarity, has informed the Justice and International Mission Unit of a case where unemployed workers on benefits were effectively coerced, due to the risk of automatically losing their social security payments, into an employment arrangement at a workplace where the existing work force was actually on strike. These workers were apparently offered Australian Workplace Agreements based on the minimum offered in the Australian Fair Pay and Conditions Standards.

CHAIR - Thank you, that is very comprehensive. Where are we going now, Anthony?

Rev. McMULLEN - I will just briefly mention the issues that we have outlined in the WorkChoices section of our submission, basically pages 7 to 9. We have highlighted three issues in particular. Firstly the removal of the no-disadvantage test so that workplace agreements can now undercut relevant awards for the first time under WorkChoices. We perceive that there is a strong anti-union bias within the WorkChoices legislation and we have outlined our concerns with regard to that.

Lastly, the abolition of the full coverage of unfair dismissal laws and problems with unlawful dismissal. We go into some detail there. I will not go into all of that now but certainly if committee members read the submission after our presentation, there are plenty of concerns that directly respond to the terms of reference of this committee with regard to families, particularly in the area of the loss of the no-disadvantage test.

CHAIR - Please feel free to take whatever time you think you need to articulate your case. You are under no time constraints so if you feel as though you do need to take that time, please do not think you are under pressure to get through this in any particular period - well, within reason of course.

Laughter.

Rev. McMULLEN - Yes, no worries. It really is set out in the submission so I commend that to committee members.

What I would like to focus on in terms of my presentation to you today is the area of the Uniting Church's commitment to justice for textile, clothing and footwear industry employees. I am particularly highlighting that today because it is an area where the church has been involved for a very long time and we also have some very practical suggestions within the context of Tasmania in particular. So I thought we would finish off our presentation on a pretty practical note.

CHAIR - Fine.

Rev. McMULLEN - The Uniting Church in Victoria and Tasmania has been involved in the Fair Wear Campaign to end exploitation of home and sweatshop workers in the textile, clothing and footwear industry for over 10 years. Despite the maintenance of legislated safeguards in this area, the church continues to hear of abuses in the industry.

Over the past 10 years, the following State and Federal inquiries have consistently found that outworkers receive payments and conditions significantly lower than their award and statutory entitlements. These include Productivity Commission 2003 inquiry into assistance to the TCF industry 2005; Senate Economics Reference Committee inquiry 1996, outworkers in the garment industry; Industry Commission inquiry 1997, the textile, clothing and footwear industries; New South Wales Legislative Council Standing Committee on Law and Justice 1998 inquiry into workplace safety; Family and Community Development Committee 2002 inquiry into the conditions of clothing outworkers in Victoria.

A study carried out by Melbourne University in 2001, which interviewed 119 outworkers, found that the average rate of pay was $3.60 per hour for these workers. Most of the participants averaged 12-hour workdays with 62 per cent stating that they worked seven days a week. If you have a look at that report, there are lots of details about not only how this affects the individual worker but their families, how their families get involved, how children can get involved in that work and how that can affect their study at school and that kind of thing. So it is a really big issue.

The Uniting Church in Australia Synod of Victoria and Tasmania has a longstanding commitment to the rights of vulnerable employees in the clothing industry. In particular, the church is focused on the situation of outworkers. The Fair Wear Campaign involving Uniting Church members was active in 1998 to defend award conditions for home-based workers against changes intended by the Federal Government at that time. The Industrial Relations Commission upheld that the outworker clauses in the Federal clothing award should be kept intact. Campaigners saw this as a victory for vulnerable workers.

In 2000, the synod of Victoria and Tasmania passed a resolution to support the Fair Wear Campaign. The synod called for all apparel and footwear manufacturers to comply with a code of practice, and required all their contractors and subcontractors pay their employees a living wage and respect the right of all employees to join a trade union.

The Fair Wear Campaign has been successful in persuading some Australian manufacturers and retailers to sign the home-workers code of practice, which is a scheme for consumers to buy products that have been made fairly in those sweatshop conditions. Despite this, the Victorian Ethical Clothing Trades Council found a disturbing lack of compliance by some Victorian companies in meeting the minimum levels of lawful entitlements of clothing outworkers as set out in the act in that State.

The pattern of research findings in every State which has officially inquired into the treatment of outworkers has revealed the disturbing common scenario of exploitation and the need for special protection. For example, the same pattern of exploitation was found in the research conducted by the Ethical Clothing Trades Council of New South Wales. There is no reason to believe that the situation in Tasmania substantially differs from this pattern revealed in the other States. This observation supports the need for appropriate further investigation into the specific treatment of outworkers in Tasmania. We have some suggestions around that.

In July 2006, the Justice and International Mission Unit made a submission to the Commonwealth Senate Employment Workplace Relations and Education Legislation Committee inquiry into the provisions of the Independent Contractors Bill 2006 and Workplace Relations Legislation Amendment (Independent Contractors) Bill 2006. In keeping with the previously stated commitment of the Commonwealth Government, the clauses of the Federal Clothing Award 1999 that cover outworkers were not undermined and requirements for employers to register with the Industrial Relations Commission to provide records of where they send work to and what they are actually paying outworkers were safeguarded in the enacted legislation.

Similarly, the legislation does not override State deeming provisions relating to outworkers that make it more difficult for employers to enter into sham arrangements with their employees by inappropriately and unjustly treating them as independent contractors. The Commonwealth finally concurred with the analysis of the Fair Wear Campaign about the creation of the category 'contract outworker' in the legislation. Fair Wear stated to the committee that the introduction of this category would have created a legal fiction that would have led to further exploitation in the industry.

The whole basis of the Fair Wear Campaign has been to ensure that the employee status of outworkers be recognised and that their pay and conditions entitlements are comprehensively protected.

The International Labour Organisation Convention concerning home work is something that the church has been recently promoting. In 2006, the meeting of the synod of Victoria and Tasmania was made aware that many home workers throughout the world remain an underclass which can provide a pool of cheap and submissive workers in both industrialised and developing countries. The synod agreed on the need for a national and coordinated approach to these issues to build on current State and Commonwealth

initiatives. The synod resolved to get in contact with all the Australian State governments about this and to call on the Commonwealth to accede to the ILO convention - which is the C177 Home Work Convention.

We believe that a national Australian approach needs to be coordinated in the textile, clothing and footwear industry and, more broadly, for the convention concerning home work. The convention sets out minimum requirements for governments to undertake and provide a guide to the development of national laws that need to be enacted. The convention defines home work, who home workers are and promotes equality of treatment, therefore reinforcing a fundamental status to home workers as workers entitled to equal remuneration, training and other conditions.

The minimum a government is required to do upon acceding is to develop a national policy on home work and to undertake to keep statistics on the number of home workers in their respective countries.

As the TCFUA - the Textile Clothing and Footwear Union of Australia - has noted, there is controversy about the numbers of outworkers in Australia, with estimates ranging from an unrealistic 25 000 to a high between 130 000. The lack of recent research in this area highlights the need for a coordinated data collection exercise.

The Minister for Workplace Relations in Tasmania, the Honourable Steven Kons, wrote back to synod of Victoria and Tasmania regarding this issue. He stated the Tasmanian Government's commitment to ensure that all workers are afforded dignity and respect, regardless of whether the workplace is in the family home or not. The minister advised that the Commonwealth Department of Employment and Workplace Relations had stated to his office that they are not currently considering the convention. Minister Kons further committed to bringing up the issue of the convention at the next Workplace Relations Ministerial Council. A meeting of this Commonwealth body has not been held since the letter was sent.

We would like to put on the record that we really thank Steven Kons for his support in this area. We feel that the ILO convention would be a great thing for Australia to adopt. It sets out a national policy framework and puts a focus on doing more research into the area of outworkers. We focus mainly on the clothing industry but there are anecdotal reports of other industries, including the catering industry, where abuses of employees occur. However, there is very little research, particularly in those areas.

We have written to the Commonwealth Government about convention but we have not received a response yet. If a Workplace Relations Ministerial Council occurs then we hope that Steven Kons' support will help to get that on the agenda.

As we have just mentioned, the Tasmanian Government is aware of issues specific to workers in the textile, clothing and footwear industry. Like the Commonwealth, the State Government is very supportive of the work of the Justice and International Mission Unit in this area. The associate general secretary of the Uniting Church in Victoria and Tasmania, the Reverend Allan Thompson, wrote to the Premier of Tasmania, the Honourable Paul Lennon, about these issues. The Premier wrote a comprehensive response letter to address synod concerns about the exploitation of workers in the textile, clothing and footwear industry. Our submission goes into a little bit of detail about that.

Rev. TERRY - Allan is actually Tasmanian-based, so that is not a Victorian bias.

Rev. McMULLEN - Subsequent to this, the Justice and International Mission Unit has met with the Textile, Clothing and Footwear Union of Australia - their New South Wales, South Australian and Tasmanian branches - to find out what is going on, particularly in Tasmania. Before I go into some parts of the submission, the short answer is that we do not know what is going on. The studies that I have mentioned lead us to believe that it would be good to do some more research in the area.

The Textile, Clothing and Footwear Union of Australia has reported to us that no factories in Tasmania have registered any outworkers with the Tasmanian Industrial Registrar. They are required to do this by Tasmanian law if they do employ outworkers. Throughout Australia, the TCFUA can enter workplaces covered by the Federal clothing award in order to check for compliance with the outworker provisions of the award. In order to gain this access, the union must give prior written notification to the company, providing them with sufficient prior notice. When on site the union may only inspect records pertaining to outwork.

As mentioned, those sorts of safeguards are there for outwork and they were maintained under the WorkChoices legislation, which is a good thing.

Union officials may make general visits to work sites to meet with employees if they are authorised to do so and if adequate notice is given, even if there are no union members employed. However, there are strict rules about where such meetings are to be held and it is easy for unscrupulous employers to make it very difficult for such officials to meet with workers in a comfortable, unmonitored atmosphere.

The TCFUA has reported to the Justice and International Mission Unit that these roles make it very difficult to ascertain if problems are occurring for on-site employees - they are not outworkers - and for the union to find out if a company is hiding any outwork arrangements. Also, even though it is illegal to dismiss a worker for speaking with a union official, it is now easier for an unscrupulous employer to dismiss for another untruthful reason in order to cover up for the actual reason. We have a section in our submission about unfair dismissal. I am sure you have heard from a lot of other people about that issue.

CHAIR - We have.

Rev. McMULLEN - Under WorkChoices, the union may only inspect work records of members employed directly in the factory if they are a member of the union. If there are concerns about sweat-shop exploitation at the workplace itself, but no employee at the workplace is a member of the union, then there is no way for the union to check for exploitation at that workplace.

The visible clothing industry is very small in Tasmania, consisting of three to four known factories with 10 to 15 employees each. In the textile area there are four large known textile factories with 300 to 400 people employed overall. The TCFUA has reported to us that anecdotal evidence exists of underpayment of factory workers in the Tasmanian clothing industry. Within the Tasmanian context then there need to be adequate

resources available to the Tasmanian Industrial Registrar and relevant inspection authorities so that there is sufficient checking for compliance with relevant State regulations to protect employees from sweatshop conditions.

Given the limited size of the visible clothing industry in Tasmania, the amount of extra resources required to provide adequate inspection would not seem too great. At a broader level the Commonwealth should ease the excessive entry restrictions placed upon union officials endeavouring to stamp out exploitation in this industry in the area of sweatshops and more generally.

That is why we have highlighted those issues to you today within the Tasmanian context. This is based on our discussions with the TCFUA, that there could possibly be some more resources allocated to finding out what is actually happening in the clothing industry in Tasmania. It is small and there could be some resources from the bureaucracy of the Tasmanian Government going towards that. At the Commonwealth level we have tried to highlight the issue of the undue restrictions on right of entry for trade unions to stamp out exploitation in sweatshops.

So it has been established that there is a lot of exploitation in the clothing industry. The arguments have been essentially won and there is bipartisan support for protection of outworkers generally speaking. However, there needs to be more work done on the issue of sweatshops. What is the difference between a factory and a sweatshop? The difference is whether decent conditions and a healthy environment are provided for employees.

CHAIR - I hear what you are saying about the outworkers so I will just leave that for the time being. If we come back to the factory, you made reference to underpayment of workers; what evidence or what knowledge do you have of either the worker or the union having capacity prior to WorkChoices and post-WorkChoices seeking redress of underpayment of wages?

Rev. McMULLEN - My understanding - and I do not know the exact detail of the legislation - is that before WorkChoices it was much easier to inspect a factory and to talk to people. My understanding now is that when a general consultation between the union and people within a factory - the workers - occurs this has to happen in a particular room, it is almost as if there is a map for how people enter the work site. The assumption is that there is a big bad union that is coming in to almost disrupt things but, from our point of view and from our strong relationships with the Textile Clothing and Footwear Union of Australia, that is not really what is occurring. Our perception is that the unions actually are really a positive influence on highlighting and stamping out exploitation. So our understanding is that post-WorkChoices, in terms of transparency within the clothing industry, there is less scope for investigation.

The unions are best placed to do that. They are independent, they can go in and have a look around; but at present there are constraints placed under WorkChoices. So we have suggested something that the Tasmanian Government can do in terms of the bureaucracy in the meantime.

CHAIR - So we have dealt with the right of entry and I hear what you are saying there, but I guess what I am trying to explore with you now is if it is detected that a worker is being

underpaid, whether it is $10 or $1 or $1 000 over a period of time, does your experience tell you that prior to WorkChoices - and I am not trying to verbal you here - there was access to due process, to an accessible and affordable process, dare I say, to seek redemption of that underpayment as opposed to post-WorkChoices? Do you have any knowledge or experience of that?

Rev. McMULLEN - In general, I could agree with the broader thrust of your argument but I do not feel totally confident in arguing the specifics of the legislation in that area.

CHAIR - That is fine. Is there anything else you would like to add? Do any of my colleagues have any questions?

Mrs BUTLER - Yes. Natalie, I would like you to expand a bit on what you were talking about earlier. We were talking about the lack of a safety net there for people and your experience has been with the most vulnerable people in our society. Would you like to expand a bit on that?

Rev. DIXON - One of things I suppose, particularly with the mental health area, was that when the Welfare to Work policy came in, a lot of the people on disability pensions were reviewed. I favour this whole area because I was seeing people who had chronic long-term illnesses being brought before a panel of review with a sense of threat that they might not be able to be on payments and they might be forced to work if they were deemed well enough to work. When I looked into this I began to see that there was a real shift in this policy from having a welfare system where, when people were in situations where they were unable to work due to illnesses or where they were no longer working due to unemployment, we had a safety net that actually caught people and was able to provide assistance to them and some sense of security to them in a time of insecurity, to then enable them to move back into the work environment if they were able.

What I see now is that the Welfare to Work program has come in and cut big holes in that net and people are falling through completely. What really concerns me about it is that you are in a situation where there is a revolving door between the two and, under the Welfare to Work program, people are being forced to take jobs that they may not necessarily have any skills for, because now the welfare is set up where you have to go for and take jobs that you do not even have skills in. So in an area of employment I have to seek any work, so any work that is deemed suitable is any work.

We are finding that people are being moved into a work context that they are not skilled for and that is not sustainable for their family context. Because that 38-hour week is now not 38 hours this week and 38 hours next week, people can be employed four hours this week and 78 next week -

CHAIR - We are very much aware of that.

Rev. DIXON - Exactly, so then you have a system of people being forced off welfare into a work context that is not sustainable for family life. So if someone says, 'I can't do this, I have responsibilities to children, I have to sever my employment here', they get a severance certificate that is not reasonable to enable them to get welfare, they cannot get back into the welfare so they are unpaid for two months. So there is this complete cycle

and, of course, then they are saying, 'I have to stay in this work until I find more suitable work'. All of those safety nets and checks and balances that cared for people that we used to have set up seem to be disappearing. We have grave concerns about putting people into work that is not sustainable and not appropriate.

We have no problems in wanting to get people to work. We understand and would advocate, in fact, that work is an important part of people's lives. I work with people who are underemployed and unemployed who would desire nothing better than to work, but we have a punitive system that is based on an assumption that we are punishing people because it is their fault that they are unemployed, not a system that understands that we are going to have unemployment and therefore we need to support people and train them back into a workplace environment.

It has really shifted gear. There are a heck of a lot of sticks and not a lot of carrots for people and the concern in that is the cost on families and on children of forcing people into work environments that are not sustainable for them and also not life-giving. It is forcing people into a context where their employment might be severed, due to no fault of their own, but due to the unsustainability of it all, and then having no welfare assistance at the other end. It is a grave concern.

Rev. McMULLEN - Could I add to that point that award conditions are great for everyone - those conditions above the Australian fair paying conditions standard - but they are particularly good for people such as sole parents and people with disabilities. In fact, a lot of those things are almost essential for the work experience to be a positive one for those vulnerable groups so it is particularly concerning that the Welfare to Work changes have particularly targeted those two groups and that the kind of work they have been pushed into in many cases is inappropriate, just the bare minimum standard. It is unsustainable for the reasons Natalie has outlined.

Rev. DIXON - I would have less concern about WorkChoices if the Welfare to Work policy had not been changed. There was the sense of a safety net. My grave concern was that at the same time, in parallel, there was a change to the welfare system. Our big concern is that the safety net has gone if this forces people out.

CHAIR - Message received, thank you.

Mr McKIM - Mr McMullen, your conclusion poses the question whether there really needed to be such change to the system. That in my view implies an answer but you have not explicitly supplied it. Would you like to answer that question explicitly? I would pose it in this way: were the changes embodied in the WorkChoices legislation warranted or necessary? The corollary is that if they are not, what in broad terms should we do now?

Rev. McMULLEN - There was no need for such drastic changes to the industrial relations system in Australia. Indeed, we had a lot to be proud of in that system. Since the Higgins decision, it had been influenced by Catholic, Christian social teaching, setting up something that was a bit different from the rest of the world. It was a much more supportive and fair system. We have a proud tradition which has been challenged by these changes. Most of the economic analyses that I have read indicate that, even if you are looking at this in only a practical way, apart from more philosophical considerations, there does not seem to be the need. Unemployment, even though we have talked about

official rates as opposed to reality, was going down and had been for a long time. There have been big and constant increases in company profits in Australia. Before the changes to dismissal laws, unemployment was getting better. I have not seen any evidence that can make a strong connection between the reduction of unfair dismissal laws and employment growth. I have not seen it credibly argued anywhere.

In our submission we talk about a study that was done just after WorkChoices. A lot of employers were surveyed on this issue and the majority said it would not really change their mind about employing more people. Was there a need to make such dramatic changes? I do not believe so. Of course there always has to be development, but from the church's perspective that development has to be based on respect for the dignity of the person. We have outlined our theological basis for that. It ends up in our belief in the dignity of the person. These changes certainly challenge that principle. That is why we are here today. In particular we wanted to highlight the issues to do with the dignity of the person, particularly very vulnerable people like sole parents and people with disabilities. The relationship between Welfare to Work and WorkChoices policies is under threat.

Mr McKIM - Given that you have said that the changes embodied in WorkChoices were not necessary, do you have a view, either personally or as an organisation, about what changes should occur now? I understand we have a Federal election coming up later this year so I don't really mean purely in a political context, but more in a policy context. Is there a need for a review, is there a need for further studies to be done about the impacts of WorkChoices on families or the level of dignity of workers or any other matter?

Rev. McMULLEN - We have outlined in our submission some of the things that we don't really have a problem with in terms of what happens with WorkChoices. It is not as if all the changes that were brought in by the WorkChoices policy were bad, there are some that were okay and some which I am sure are quite positive if they are implemented properly. But in general there are a lot of problems.

In terms of going into the future, it is very difficult for a church to comment the closer we get to an election, for obvious reasons, but we did want to be very practical today and talk about the clothing industry. It is not as if we are looking at that theoretically, the church has been very much involved with community groups, women's group, the TCFUA for a long time and it has spent a lot of time trying to work out how to improve things there. So we wanted to leave this committee with a couple of very practical suggestions, one for the Tasmanian Government to look at and one for the Commonwealth Government to think about in terms of the right of entry issue.

In terms of a broader discussion, I guess the theological principles that we have put in the submission, and also the official position of the church - we have gone into great detail and we have not gone through all of that with you today - we would hope that that would inform development of the industrial relations system, as well as the social security system because the two are interrelated.

Ms SINGH - Having said that, you regard that this WorkChoices legislation which this committee is first and foremost focused on was not necessary?

Rev. McMULLEN - Big chunks of it weren't necessary.

Ms SINGH – I think you were saying before that the industrial relations system that we had was fine and WorkChoices was not necessary. If that is indeed what you were saying, you would therefore support some of the changes that may at least take away that disadvantage - such as the abolition of AWAs or reinstatement of the no-disadvantage test or something like that?

Rev. McMULLEN - Definitely. Our submission certainly speaks in favour of the no-disadvantage test and raises reservations about the Australian Workplace Agreements. The church -

Ms SINGH - Do you have a position on that?

Rev. TERRY - We won't use them ourselves.

Rev. McMULLEN - The general policy of the church, and that is probably the Tasmanian-specific context that Rosalind has outlined, is to really discourage the use of Australian Workplace Agreements. There probably are a few Australian Workplace Agreements within the synod of Victorian in Tasmania but the official position of the church is to move away from them and to prioritise collective agreements. Most of the staff in the synod is employed under a collective agreement and that really is the better way to go, or being an award employee.

Rev. DIXON - One point I wanted to put more emphasis on is the assumption about power and the assumption that there is an equal playing field. I work with and care for people who are incredibly powerless and the basic assumption seems to be in the WorkChoices Act that people come to the table with their employer with the same level of power and the same ability to negotiate. When you have a chronic mental illness, it is hard to negotiate the bus trip, let alone negotiate a fair work agreement. So I would like to tackle this terrible assumption that in this world there is an equal playing field when there is clearly not.

CHAIR - If there is nothing further to add, I would like to place on record my sincere appreciation for the time that you have given. Thank you for the very comprehensive written and verbal submission that you have given to the committee. I assure you that during our deliberations we will certainly take into account the evidence and information that you have provided us with today. Thank you very much.

THE WITNESSES WITHDREW.