

Inquiry of the Senate Community Affairs References Committee into the Adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia

**Submission by Women and Adult & Vocational Education Inc. (WAVE)
September 2019**

About WAVE

Women in Adult and Vocational Education (WAVE) is an NGO, the only national organisation with a single focus on women and post compulsory education and training. WAVE represents the interests of women and girls in the broad areas of adult, vocational and work-related education and training, and the links between these, employment outcomes and labour market positioning.

We are a member of economicSecurity4women (eS4W) and Equality Rights Alliance (ERA). WAVE collaborates with Adult Learning Australia (ALA), is a member of Australian Coalition of Education Development (ACED) and is a voting member of Asia South Pacific Association for Basic and Adult Education (ASPBAE).

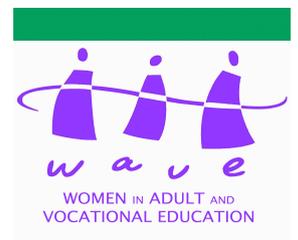
WAVE's research and consultation for the last decade and a half highlights the provision of client centred gender informed career advice, and the need for updating, resourcing and implementation and evaluation of specific policies for women and girls in vocational and work related education and training, along with improved employment outcomes.

WAVE welcomes the opportunity to contribute to this Inquiry.

Introductory points

WAVE will focus in particular on the following terms of reference:

- (b) the labour market, unemployment and under-employment in Australia, including the structural causes of long term unemployment and long term reliance on Newstart;
- (c) the changing nature of work and insecure work in Australia;
- (d) the appropriateness of current arrangements for supporting those experiencing insecure employment, inconsistent employment and precarious hours in the workforce;
- (i) the economic cost of long-term unemployment, underemployment, poverty, inequality and inadequate income support payments;



- (j) the economic benefits – including job creation, locally and nationally – of increasing and improving income support payments and supports, and decreasing poverty and inequality;
- n) the relative merits of alternative investments in health, education, housing and other programs to improve outcomes;

We highlight points in relation to the need to consider gender in relation to Newstart allowances and the impact on the economy of long-term unemployment and underemployment of women and girls. It is critical that the vulnerable women receiving Newstart, be they returning from caring responsibilities including single parenting or finding themselves unemployed or under employed and so in circumstances that are challenging economically and socially, receive proactive targeted person and place-centred support to enable successful transitions to more stable futures and enhanced economic wellbeing. Presently, Newstart does not fulfil these criteria. Quality work-related training based on gender and person sensitive career advice is imperative, rather than what is so often reported by women - short term low quality training connected with inappropriate low paid jobs and/or insecure work. Short termism is an issue here. We argue that it is important to support women and girls through a quality well-funded public vocational education and training system. Along with Newstart allowances that enable women to live well above the poverty line, access to supportive and targeted VET courses can help address inequality.

WAVE endorses and supports the submission from economic Security4Women (eS4W) and the Equality Rights Alliance (ERA).

Women and girls in the workforce

We acknowledge that labour markets in Australia and globally are undergoing profound change, in what is referred to as the Fourth Industrial Revolution (4IR). There is also a much greater global acknowledgement of the added value to GDP, economies and society that increasing the number of women in employment and decent work can make. (MGI, 2019a) However, these changes are taking place on a playing field that is far from level, with increased challenges for vulnerable groups risking being left even further behind.

Research demonstrates that Australian women have aspirations relating to paid work, all of which are both worthy of consideration by Newstart policy, and processes, and are significant in our current context:

When asked about a range of job attributes, women placed most value on having a job where they would be treated with respect (80%), where their job was secure (80%), where the job paid well (65%), was interesting (64%) and offered the flexibility they might need (62%). (Baird et al 2018, p.4)

Of the working women interviewed, most thought that developing the right skills and qualifications was important to being successful at work (92%) and appreciated the importance of support and mentoring (84%). However, only three-quarters felt their current role allowed them to use their skills, knowledge and abilities, Less than a third of women surveyed (31%) thought men and women were treated equally in the workplace; in contrast 50% of men thought this is the case. (Ibid, pp.4,6). Barriers that women and girls face in embarking on productive careers in the workforce must be part of the thinking and funding of income support services.

ABS (2018) advises that the labour force participation rate in 2017–18 was also lower for women than for men aged 20–74 years old (67% compared to 78%). This rate includes people who are either employed or looking for work. Women are much more likely to be working part time and as casuals than men, with ‘the differences in part-time working arrangements were even more pronounced for parents with a child under six, with three in five employed mothers (61%) working part-time compared to less than one in ten employed fathers’. For those working part time &/or casual, women worked fewer hours than men, with comparatively more receiving less or no benefits than male employees. In 2017–18, women were more likely to be underemployed than men (9.4% and 5.8% respectively). (ABS, 2018) This positioning, along with the extra burden of unpaid care work carried by women exacerbates the gender wage gap & impacts on inequality & indeed poverty.

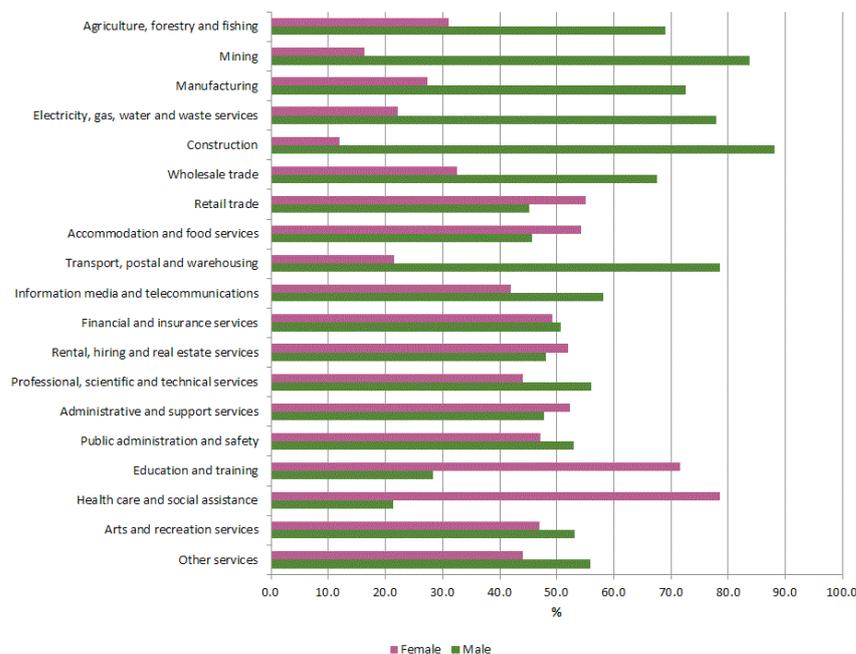
The first barrier is that the Australian labour market is one of the most highly gender-segregated amongst the OECD countries. (OECD, 2015) According to the Workplace Gender Equality Agency 2019, in Australia:

- Occupational gender segregation has remained persistent over the last 20 years.
- The proportion of women in traditionally female-dominated industries (Health Care and Social Assistance and Education and Training) has increased.
- Some male-dominated industries (Construction and Transport) recorded a decline in female representation, while others (including Mining, and Electricity, Gas, Water and Waste Services) recorded growth.
- Average remuneration in female-dominated organisations is lower than in male-dominated organisations. However, female managers working in male-dominated organisations are more likely to earn salaries closer to their male colleagues.

Women traditionally cluster in a small number of industries including health and community services (79%), education (72%), clerical and sales, and hospitality, with a small number working in the traditionally male dominated areas of mining, construction and manufacturing. As verified by the ABS, this has remained so for well over a decade now. In 2017/18 men dominated the

'construction' (88%) and 'mining' (84%) industries while 91% 'machine operators' were men.

Figure 1 - Proportion of Males and Females (20-74 years old) employed by Industry, 2017-18



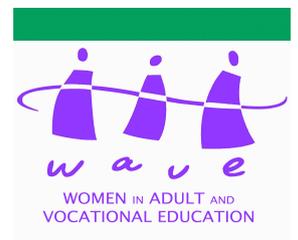
Source: Australian Bureau of Statistics (ABS). 2018. 4125.0 - *Gender Indicators, Australia, Sep 2018*

In its 2012 report on “Closing the Gender Gap”, the OECD says that whilst many countries have made significant progress towards gender equality in education and that girls outperform boys in many areas of education, “women continue to earn less than men, are less likely to make it to the top of the career ladder, and are more likely to spend their final years in poverty... Gender inequality means not only foregoing the important contributions that women make to the economy, but also wasting years of investment in educating girls and young women.” This remains the case today. The OECD also noted that ‘(p)roviding opportunities through education and employment for women to expand their labour force participation continues to remain a challenge’. (OECD, 2015)

It is imperative that Newstart is neither gender blind nor gender neutral; that changes to the system are gender informed and proactive.

Women and training

The second barrier is that women continue to occupy many of the casual and lowly paid jobs as demonstrated above. Such employment does not constitute ‘decent work’ as described by the ILO and agreed to as a goal for women and girls by the Australian Government in various international agreements. An



article in *The Conversation* by Veronica Sheen from Monash University, *Eviction from the middle class: how tenuous jobs penalise women* (March 7, 2014), discusses how loss of jobs due to family care issues can lead women to financial challenges later in life.

WAVE is concerned that in considering the adequacy of Newstart, there is recognition of and allowance for gender issues, particularly in ensuring such allowances meet the needs of women including their caring responsibilities, and that there are training programs specifically designed for women and their needs in terms of re-entering the workforce and/or retraining.

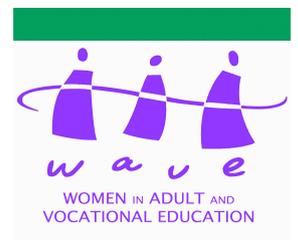
WAVE researchers undertook a study entitled 'A Course for a Lifetime' in 2013 that focused on five case studies of programs specifically run for women in Technical and Further Education (TAFE) Institutes in Australia. The researchers sought to measure the success of these programs, especially in terms of access to pathways that would take women into further education, community engagement or employment.

The programs that were investigated in this study covered a variety of industry areas but they shared common aims, including to:

- build confidence and help women regain dignity
- strengthen the community to enable people to work together
- rebadge skills and raise awareness of what is expected at work
- increase skills for further study or employment
- accelerate skills and to have real and meaningful outcomes
- build skills, knowledge and confidence so that the women can join the workforce, volunteer or embark on further study
- support the women to see themselves as learners who are capable of studying a wide range of subjects, with pathways to further education and employment
- provide women with support and an inclusive environment for skills development
- provide work experience where possible

This particular research paper on women's only programs identified their importance in providing the opportunity for women to gain or refresh skills for the workplace through industry tasters and foundation skills programs. More significantly, these courses provide a comfortable and safe environment that recognises the conflicting pressures many women experience when balancing home and work responsibilities, and by doing so, develop strategies to support women and girls to gain vocational qualifications.

Women in general already leave and re-enter the workforce more often than men, related to family and care reasons. This often leads to deskilling and a need to gain new qualifications in order to re-enter the workforce in fulfilling jobs with full employment or with flexible working conditions as required. TAFE has



for many years played a significant role in running courses specifically aimed at women and in supporting them to re-enter the workforce. Unfortunately the economic returns from such courses are generally not recognised, and have suffered cuts under the marketisation of vocational education and training.

Women and Productivity Growth

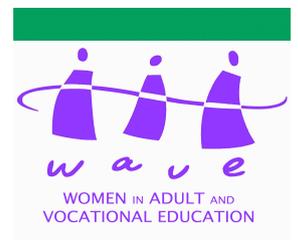
WAVE strongly supports the argument being made by the Federal Government, the Grattan Institute and many others, that growth in productivity can be greatly assisted by supporting women into full employment and into a greater range of careers than has traditionally been the case. In these times of rapid changes in labour markets in Australia as elsewhere, in line with noted mega trends including the Fourth Industrial Revolution (4IR), new skills are needed to develop and support sustainable social, economic and environmental outcomes in business, industry and the community in the emerging 'green economy'. Women and girls must be part of this mix. Similarly, female workers skilled in STEAM – science, technology engineering, arts & mathematics are needed for the equitable inclusion in our emergent economy.

In 2015, Senator Michaelia Cash, at that time Minister assisting the Prime Minister for Women, in a media release entitled '*Women at the forefront of a productive Australia*', said:

If Australia could match Canada with six per cent more women in the paid workforce, the Australian economy would increase by about \$25 billion each year. And raising women's workforce participation to the same level as men's would boost the Australian economy by \$195 billion.... More women in the workforce will strengthen our country's economic resilience, increase family incomes, and ultimately boost Australia's economic growth.... We are partnering with industry and key organisations to improve incentives, remove barriers, enhance skills and support women's leadership aspirations through education and mentoring.

Recent research has shown that ensuring equality in the workplace would increase productivity growth worldwide by 26 percentage points. In Oceania (of which Australia is part) the forecast growth is 19 per cent. (McKinsey Global Institute, 2019b)

The VET System has a major role in supporting equality for women with almost 50 per cent of future jobs growth to 2030 predicted to be in occupations supported by vocational education and training. To raise Australia's productivity and ensure that we have the skilled workforce for the future, it is vital that the VET system meets the needs of women and girls and supports their access to skills and knowledge that will provide access to opportunities for quality work in a rapidly changing economy, therefore keeping them in the workforce.



Gender inclusive policy action is needed now as matter of urgency to address skills shortages, enhance national productivity and target women's skills development in areas that support paid work in viable and emergent industries and occupations.

We need national VET policies that focus on gender equity and acknowledge the complexity and challenges associated with gender and when gender intersects with Aboriginal and/or Torres Strait Islander background, with disabilities, with culturally and or linguistically diverse backgrounds, with low socio economic backgrounds, with geographical isolation.

Conclusion

As it stands, Newstart only allows people to exist well below the poverty line. It must be increased. Financial stress is exacerbated by less than adequate processes to support people in need to more viable futures. Newstart must take account of gender along with existing barriers associated with the highly gendered and changing nature of work contextualised by the reality of women's lives.

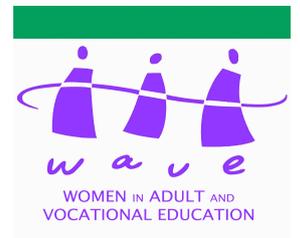
Similarly, it must take account of the prospects for decent work in the vicinity of women's support networks. A redesigned Newstart could offer a best practice example linking place-based employment opportunities in the new job market with relevant flexible quality vocational education and training programs, that would take a gender and person-centre approach rather than a punishing regime with poor outcomes. Gender sensitive VET is integral to successful outcomes for women on Newstart.

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