



Anglican Church of Australia

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Dear Commissioners

Submission by the Bishop of Tasmania to the Australian Fair Pay Commission

Introduction:

First, I want to argue for why church leaders have a valid interest in industrial matters and fair pay. Among Christians, Catholics look back to the Papal encyclical *Rerum Novarum* as a mandate for involvement in work issues. Protestants including Anglicans tend to look back to the Reformer John Calvin, sometimes inaccurately blamed for the 'Protestant work ethic', but more accurately a supporter of capitalism with a compassionate face. Behind both traditions is a mandate for involvement from the Bible: 'a fair day's work for a fair day's pay' is a reasonable summary. The obligations are mutual in the Christian tradition: employers to give a fair living wage, and employees to give a fair day's work. Both then fulfil their moral and spiritual duty.

Along with other church leaders, I totally reject the argument from some politicians that we should stay in the sanctuary and keep out of the political world of industrial relations. For myself, I was a director of the Industries Assistance Commission prior to ordination, so I have both 'secular' experience in the workplace, as well as pastoral experience with people who struggle with work and unemployment issues.

Definition of 'Fair'

A 'fair' wage determined by an 'Australian Fair Pay Commission': the terms imply moral attributes. I want to argue for what are the characteristics of 'fairness' within Australian culture as they may be applied to 'fair pay'.

1 A 'fair' wage provides secure housing, either rented or mortgaged. Some workers are in fact homeless; others live in Supported Accommodation of one kind or another. With reducing housing rental stock and higher inner-city rents, low-income families in Tasmania are forced to live further and further from their workplaces. This in turn leads to high transport costs to get to work; which leads to the need for cheaper housing; which is further out - a vicious circle of impoverishment.

2 'Fair' suggests 'enough to support a reasonable standard of living' - above the Henderson Poverty Line as now calculated by the Melbourne Institute - enough to buy a basket of basic food, to have access to public education and health, enough to find shelter. Of course, for the past twenty years or so one wage has not been enough to provide all this for a family, but at the very least a fair wage should pay for the costs of one adult and two children in a reasonable living situation.

3 'Fair' implies 'choice.' People at or below the Poverty Line have no choice about where to live, or access to credit, or holidays, or consumer spending or the ability to save, both for retirement and for shorter term projects, as well having some freedom of movement in their lifestyle. Yet in a liberal democracy like Australia, choice is a value we highly esteem. Our trend towards a user-pays economy relies upon the capacity for discretionary spending and saving. The whole marketing business depends on this.

4 A 'fair' minimum wage does not rely on social security to 'make up the difference' to a reasonable standard of living. It would seem 'unfair' if a full-time minimum wage needed topping up by government income support.

5 A 'fair' minimum wage leads to enhancement of civil society where individuals and families feel they belong. If the Commission's judgements start to lead towards a two-tiered society where people on salaries and with a capacity to bargain workplace agreements prosper, with real choices about education and health, and where severe limitation of choice for people on minimum wages breeds resentment about an unequal society, such as is emerging in parts of America. There the middle-class live in gated communities to protect themselves against a low-income class who display resentment, anger and violence. Australia's egalitarian spirit is enshrined in 'a fair go'. The Fair Pay Commission has a critical role in giving a fair go to low-income Australian workers and building a strong civil society.

6 A 'fair' minimum wage encourages people to keep working and off the social security lists. This in turn provides the national government with a capacity to be compassionate towards citizens who are temporarily down on their luck through retrenchment or illness or a marriage breakdown or some other cause. A safety net for the temporarily disadvantaged is a corollary of a fair wage. A society which cannot or will not support its disadvantaged is not a civilised society.

'Fair Pay' linked to industrial relations

As a community leader in Tasmania I am very aware of the effects on a high-unemployment zone of the recent changes in industrial relations. The capacity of low-income workers like contract cleaners to bargain for an individual workplace agreement is obviously very low.

Let me illustrate this from two Tasmanian contract cleaners who have graciously agreed to their stories being included in this submission.

Anita is a single mum with twin twelve year olds who works 14 hours per week Monday to Friday with a large local contract cleaning company. Starting work at around 5pm and finishing around 8pm (there is some variation) Anita never gets home before 8.30pm. Fortunately, Anita lives with her mother and this makes her childcare arrangements a little easier but she does miss the important family meal times etc. Because of the new Centrelink system she has been told that she must seek work for 15 hours per week. She is one hour short and may have to make up that hour under 'work for the dole' arrangements.

Anita earns \$17.28 per hour. This may seem like a decent rate but contract cleaning is an industry that is almost impossible to make into full time jobs. The Award has recognized this and factored in a higher rate for permanent part-time staff. Some States don't have this higher rate and a lot of overseas students clean these buildings. Anita needs this higher rate to try and make enough for her family. She supplements her income with Centrelink benefits. Anita would love more work if she could find it. However, she isn't able to pick up casual hours because of the difficulty this presents her family arrangements. It is important to keep some consistency in her home life.

Anita drives from Bridgewater to work in the Hobart CBD. In the Award the minimum amount of time Anita can work is 2 hour and this is needed to make the travel into the CBD financially rewarding. Anita uses public transport as often as possible as a small saving.

Karen is a mother of three children and her husband is terminally ill and unable to work.

Karen has worked as a contract cleaner for thirteen years, earns \$17.28 per hour and works 14 hours per week. Her income is supplemented with a carer's pension. Karen's husband is highly dependent, requiring feeding and constant supervision. The teenage children care for her husband while she is at work. Karen tries to take her annual leave during the school holidays so that she can give her children a break from caring for their father.

Both Anita and Karen are currently paid under the appropriate Award. They are nervous that more and more companies will cut wages in order to win contracts. A national company, Biniris, uses individual contracts to employ people on less than Award wages and conditions. For example, they pay less than \$16 per hour, have ½ hour shifts, do not pay any traveling time between jobs and provide no paid sick leave or annual leave. Anita and Karen are very worried that more and more contractors will go down this path in order to win contracts. Their family life would be severely stressed by less money and no leave arrangements.

Neither Anita nor Karen is in a position to successfully negotiate higher wages and conditions from their boss. He needs to win contracts and if his staff is more expensive than other contractors he will miss out. Both these cleaners are completely dependent on their Award and on getting wage increases through the Fair Pay Commission.

Likewise the capacity of a teenager to bargain for fair wages or a fair roster in fast food franchises is obviously low. Also young families starting out are very vulnerable to unfair pay and conditions. 'Fair pay' is family friendly; is family flourishing.

So maintaining 'fair pay' in such low-income workplaces is an important responsibility of the Fair Pay Commission if it wants to protect low-income workers from exploitation in either pay levels or working conditions. I would argue that this is a responsibility the Fair Pay Commission should accept for itself.

I thank you for the opportunity to present this submission and look forward to further opportunities and with every good wish as you advance fair pay for a fair Australia – and long may she advance in fairness, especially fairness for low-income workers.

Yours sincerely

+John

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