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Senate Employment, Workplace Relations and Education Committee
Department of the Senate
Parliament House
Canberra ACT 2600

November 15, 2005

Dear committee members,

Volunteering Australia would like to submit the following comments about the proposed industrial relations reforms.

Our comments are restricted to changes to the nature of working hours, annual leave entitlements and entitlement to public holidays that are enabled through the Workplace Relations Amendment (Work Choices) Bill 2005 and our concern that these changes will erode the ability of ordinary Australians to participate in community life through volunteering.

About Volunteering Australia

Volunteering Australia is the national peak body for volunteering in Australia. Part of our role under the Australian Government's National Secretariat Program is to generate policy on volunteering and to advocate for policy outcomes that support and facilitate volunteering in Australia's diverse nonprofit sector. Volunteering Australia frequently provides submissions to government inquiries, most recently the Joint Committee on Corporate and Financial Services inquiry into Corporate Social Responsibility. A submission was also recently made in response to the Human Rights and Equal Opportunity Commission's *Striking the Balance* discussion paper.

While volunteering is a resilient and growing movement in Australian society, it can be impacted negatively by a range of external forces, including changes in

o, or do not seek to protect and promote, the *National Agenda on Volunteering: Beyond the International Year of the Volunteer* is the key document on volunteering policy. It was developed by Volunteering Australia in consultation with all jurisdictions of government, business, the community and individual volunteers and provides a framework for the protection and promotion of volunteering in Australian society.

The contribution of volunteers

The economic and social contribution volunteers make to Australian society is worth protecting. Estimates of the economic value of volunteering range between \$31 and \$42 billion per annum.¹ In addition, volunteering is an important contributor to social capital, the measure of the connectedness and functionality of our communities.²

Australians' level of engagement in volunteering is graphically illustrated by volunteering participation rates and the number of hours volunteers contribute each year. The recent research collaboration *Giving Australia* revealed 41 per cent of Australians volunteered in the year to January 2005, contributing a total of 836 million hours for the benefit of Australian communities.³

The impact of industrial relations reform on volunteering

Volunteering is one of the activities Australians participate in, in their free time. Our concern is that if the amount or predictability of employees' free time is reduced this will have an impact on participation in volunteering.

For many Australians volunteering is an activity that is accommodated alongside paid work commitments. Indeed, the Australian Bureau of Statistics suggests that 70 per cent . a clear majority of Australian volunteers . are in paid employment.⁴ The link between paid work and volunteering has obvious implications for volunteering in Australia if industrial relations reform leads to a loss of free time because of lost public holidays, potential obligations to cash out up to two weeks of annual leave and wage pressures associated with minimum wage rates and penalty rates changes.

Item 3 of *A National Agenda on Volunteering* states, 'All new legislation, bi-laws and public policies, developed at any level of government, which may affect volunteers and their work, (should work) only to facilitate and sustain volunteering'. Volunteering Australia holds concerns that the Work Choices

¹ Australian Bureau of Statistics (ABS) (2000) 'Unpaid work and the Australian economy' pg 43; Ironmonger D 'Measuring volunteering in economic terms' in Warburton J and Oppenheimer M (eds) (2000) *Volunteers and Volunteering* p 56

² Onyx J, Leonard R and Hayward-Brown H (2003) 'The Special Position of Volunteers in the Formation of Social Capital' *Voluntary Action* (6)1 p59

³ ACOSS et al. *Giving Australia*, p vii

⁴ ABS (2001) *Voluntary Work Survey*, pg 12

of industrial relations practice in Australia that will
allow many Australians to contribute to their communities
through volunteering.

Disproportionate impacts of industrial relations reform on particular nonprofit organisations

Volunteering activity tends to peak in the age cohorts spanning 25-55 years of age.⁵ These age groups coincide with the key periods of paid employment. A reduction in volunteering among these age groups will disproportionately affect certain types of nonprofit organisations. These age groups see women tending towards volunteering in the areas of education, training and youth development and community welfare. Men are strongly represented as volunteers in sports and recreation activities.

Nonprofit organisations in these categories are especially likely to have difficulty in recruiting and retaining volunteers as a result of industrial relations changes.

The likely impact of IR reform on caring and volunteering

A second impact of the Work Choices reforms on volunteering will be among older Australians who are likely to increasingly provide childcare for their grandchildren or other family members.

Downward pressure on wages caused by changes to the minimum wage and changes around penalty rates will render childcare increasingly expensive for Australian employees. This outcome is likely to be exacerbated by decreased predictability in rostering for some Australians which may not coincide with the availability of professional childcare.

The reduction in free time for Australians providing informal childcare to grandchildren will have important implications for volunteering. Volunteering is an important component of ~~active ageing~~ further engaging older Australians in volunteering has been identified as important to ensuring the nonprofit sector, which relies heavily on volunteers, continues to flourish as the population ages.⁶ Both agendas are undermined by policies that encourage or necessitate a movement towards grandparents as informal child carers.

In September 2005, as part of our response to the Human Rights and Equal Opportunity Commission's discussion paper ~~Striking the Balance~~ Volunteering Australia consulted volunteers and volunteer-involving nonprofit organisations regarding the relationship between volunteering, paid work and other forms of unpaid work, such as caring and housework. Our consultation explored the

⁵ ABS (2001) *Voluntary Work Survey*, pg 3

⁶ Volunteering Australia (2004) *Submission in response to the Productivity Commission's inquiry 'Implications for an Ageing Australia'*, pg 11

and 273 volunteer-involving organisations. These
upwards of 230,000 volunteers, who contribute
more than 89,500 volunteer hours per week. The results showed that the
demands of paid work and other unpaid work are already impacting on
Australians ability to volunteer:

- 60% of organisations stated the demands of volunteers paid work and caring are having a negative impact on their ability to recruit volunteers.
- 81 per cent of organisations have had volunteers end their involvement because of the demands of paid work or caring.
- 58 per cent of volunteers have had to leave or reduce their volunteering commitments at some point because of paid work or caring commitments.

These findings have relevance for a discussion of the likely impact of the proposed industrial relations reforms on volunteering, as they illustrate how volunteering activity is often sacrificed when the demands of paid employment and caring commitments take precedence. The erosion of free time for many employees that is likely to occur as a result of the Work Choices reforms will negatively impact on volunteering.

Recommendations

As outlined above, the nature of reforms outlined in the Workplace Relations Amendment (Work Choices) Bill 2005 will actively work against the interests of volunteering. Retaining the following four aspects of the current system would significantly improve outcomes for volunteering into the future:

- Public holidays should be protected as per the current system.
- Annual leave provisions should be maintained so that employees do not find themselves effectively obliged to cash out up to two weeks of leave.
- Penalty rates should be retained where they currently exist.
- Rostering limits should be retained where they currently exist.

I thank the Senate Employment, Workplace Relations and Education Committee for the opportunity to provide the Volunteering Australia submission on these important reforms.

Sincerely

Sha Cordingley
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Volunteering Australia