## Swept under the carpet.

THE TRUTH BEHIND THE 2013 - 2014 STATE BUDGET REPORT



A report prepared by the Community & Public Sector Union Civil Service Association of WA m

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## Introduction

The CPSU/CSA (Community and Public Sector Union/ Civil Service Association) represents over 16,000 trade union members working in Western Australia's (WA) public sector. This short report seeks to provide an example based critique of the recent State Budget and reposition the discussion surrounding the budget towards what might have otherwise been 'swept under the carpet'. Whilst referring to departments and agencies across the public sector, this report will develop the following arguments:

- 1. that service delivery and job cuts may substantially change the demographics of the public sector and the communities within which it operates;
- 2. that equality groups and those already disadvantaged in our society may be hardest hit by the cuts;
- 3. worryingly, the potential impact of the cuts has not been assessed; and
- 4. women are most likely to be affected by the cuts.

We believe that defending local communities and the livelihoods which support them is of paramount importance. Public services extend opportunities, protect the vulnerable, and improve everyone's quality of life. They are essential to our economic prosperity and bind us together as a society. But the State Government is running our public services into the ground; cutting staff and contracting out its obligations to the community - forcing services to run for profit, rather than public good. Public Services already struggling to meet current demands are being further undermined though funding and job cuts. We want to see investment in jobs and services and suggest that the State can afford the services our members provide - services that save, protect and enrich lives. We acknowledge the significant role of not-for-profit organisations in providing vital services to our communities. These organisations should be funded sufficiently, particularly in response to the indexation of wage costs. We believe that there is an ever increasing burden being placed upon not-for-profit organisations as a result of under resourcing within the public sector and the movement away from service delivery.

In suggesting that the focus against the budget should change direction, this report draws heavily on the recent Centre for Policy Development report 'False Economies: Doing less with less'.<sup>1</sup>

<sup>1.</sup> Stone (2013)

#### **Overview**

There is the suggestion that Australian government budgets are under increasing pressure, with some positing that in the next 10 years they are at significant risk of posting deficits of around 4 per cent of GDP - this means federal governments will need to find savings and tax increases of \$60 billion a year.<sup>2</sup> The 2013-14 WA State Budget mirrors the federal budgetary concerns and is directly hinged upon the notion that the economy will face tough times ahead as growth is expected to slow. With this comes 'belt tightening' and an understanding that 'tough choices' have to be made as the WA budget is forecast to deliver an operating surplus of \$386 million this financial year but a deficit of \$147 million in 2014-15. Once all government capital spending is taken into account the State Budget is running a cash deficit this year of \$2.8 billion.<sup>3</sup> Troy Buswell (WA Treasurer) has suggested that the projected deficit "is at the lower end of what you would call a range for a comfortable buffer" and that deteriorating and volatile economic conditions are why hard decisions have to be made now.4

In their recent report 'Budget pressures on Australian governments', the Grattan Institute, whilst advocating general budget surpluses, suggested that:

"...over the economic cycle of boom and bust, <u>balanced</u> <u>budgets are much better than the alternative</u>. Persistent government deficits incur interest payments, and limit future borrowings. As a result they can unfairly shift costs between generations, and reduce flexibility in a crisis. Yet in good times it is hard for governments to run a surplus. They are invariably tempted to spend money. Many voters prefer outcomes with no obvious losers." (emphasis added)<sup>5</sup>

What this argument fails to engage with is the opposite notion – that all debt isn't bad and that, providing debt levels are sustainable, money should be spent at times of economic uncertainty. Indeed, without the fiscal stimulus package enacted during the Global Financial Crisis, Australia's economic growth would have been negative for three consecutive quarters. The effect of the stimulus package was to avoid the waste of our economy being \$7 billion smaller in 2010.<sup>6</sup> Debt is not bad if it is manageable and the return on investment in the long run outweighs the costs associated with that debt.<sup>7</sup> Whilst responsible leaders will inevitably need to balance their books there is little to suggest that this actually requires smaller government. Inevitably, it is almost impossible to live debt free; most of us can't pay cash for our homes and Governments too are unable to escape this paradox. However, governments are increasingly constraining themselves within the good v bad debt discourse.

The WA economy is actually set to grow steadily over the next four years with growth of 3.25 per cent in 2013-14, followed by 2.5 per cent in 2014-15 and 3.75 per cent in both 2015-16 and 2016-17.8 Furthermore, state revenue is expected to grow at a greater rate than economic growth increasing by 8.9 per cent in the 2013-14 financial year, falling to -0.2% in 2014-15 but then recovering in 2015-16 to give an average revenue growth of 4.235% over the next four years.<sup>9</sup> This is against a backdrop of significant population growth, with the WA population expected to continue to grow at a faster rate than the national level.<sup>10</sup> Population growth for 2013-14 is 2.5 per cent with the forward estimates indicating growth of 2.1 per cent per annum through to 2016-17. Population growth will continue to increase demand for services and escalate the current unsustainable demand placed upon infrastructure. For the 12 months ending 30 June 2012, WA's population grew by 3.3 per cent or 78, 037 persons whilst the national increase was 1.6 per cent or 359, 640 persons. During this period, overseas migration contributed 47, 147 persons; natural increase contributed 19, 803 persons, while net interstate migration added 11, 085 persons.<sup>12</sup>

The WA State Budget has not been received favourably by unions, industry or community groups. Tax increases and program cuts have managed to alienate broad sections of the community with accusations of broken promises being made towards the State Government.<sup>13</sup> Whilst the media has tended to concentrate on the broken promises and increase in state debt, little has so far been said about the 'truth' behind the 2013-14 State Budget - the reality that those already disadvantaged within our society will be disadvantaged further by both service delivery and staffing cuts across the public sector. The State Government's savage austerity program, including hundreds of job losses in the public sector, will clearly be felt well beyond the confines of departmental head offices. This short report seeks to bring the underlying ideological base of the State Budget to the fore through real examples, and begin the discussion about how we can collectively fight back.

- 3. The West (2013)
- 4. Buswell (2013)
- 5. Grattan Institute (2013)
- 6. Stone (2013, p.8)
- 7. Mitchell (2013)
- Economic and Fiscal Outlook (2013, p. 2)
- Economic and Fiscal Outlook (2013 p. 67)

9.

11. Ibid (p. 7)

lbid (p. 17)

- 12. Department of Training and Workorce Development (2012, p.2)
- 13. <u>http://brokenpromises.org.au</u>

<sup>2.</sup> Grattan Institute (2013, p.1)

## Public Sector Workforce Reform and the 'Drive to Privatise'

In an effort to 'balance the books', the Public Sector Workforce Reforms are expected to deliver \$2.9 billion in savings over the forward estimates,<sup>14</sup> and comprise the following measures:

- a cap on growth in general government agencies' salaries expenditure equal to projected growth in the Consumer Price Index (CPI);
- a new public sector wages policy that caps wage and conditions increases to projected growth in the CPI;
- a voluntary severance scheme targeting 1,000 positions across the general government sector; and
- enhanced redeployment arrangements, supported by legislative amendments, to provide for involuntary redundancy as a measure of last resort.<sup>15</sup>

The State Government suggests that, over the four years to 2011-12, general government salaries expense growth averaged 8.6% per year. In response to this, growth in general government agencies' salaries expenditure has been capped at projected growth in the Perth CPI. Accordingly, agencies reporting above-CPI growth will have their salary expense budgets re-based accordingly. In this respect, CPI growth is forecast at 2.5% per annum from 2013-14. Total salaries expenditure across the general government sector is budgeted to increase by \$689 million or 6.8% in 2013-14. This includes a provision of \$100 million for the estimated up-front cost of 1,000 voluntary severances in 2013-14.

In reality, the State Government has placed a cap on salary growth for the public service, even allowing for CPI increases and the Governments new wage policy this cap, if adhered to, will lead to a reduction in the size of the public service. Employees annual salary increment increases and criteria progression salary increases will place pressure on the salary base even before salary increases are negotiated within the enterprise bargaining process. It is also likely that despite the State Government's rhetoric they will back down if essential service workers mount effective campaigns. The successful Nurses Union campaign leading up to the 2013 state election is a case in point.<sup>16</sup> Here in lies a new problem, if one group of public servants negotiates wage increases above CPI then other departments will have to either reduce staff or ensure that other employee groups receive below

CPI increases resulting in real wage cuts. This is undoubtedly a divisive strategy which seeks to position worker against worker.

Beyond the reform package, further cuts have been implemented that require closer scrutiny, in some cases they appear to have been imbedded in other costings and cannot be identified. Strikingly, in all of the budget papers the efficiency dividend, an annual reduction in the amount of resources consumed for the same level of output, announced in the 2012-13 budget have been zeroed in the forward estimates yet department communiqués show that they still apply in the forward years through to 2015-16.<sup>17</sup> It is only through information gathered by our members that we have been able to contextualise the budget and identify where cuts are occurring.

The Barnett Government won office in 2008, and shortly after that election they established an Economic Audit Committee which recommended that the WA Government move away from service provision.<sup>18</sup> The drive to privatise has continued with various outsourcing ventures, the most prominent examples being Fiona Stanley Hospital and the Wando Reintegration Facility for young adults. The indicators within the 2013-14 Budget suggest that privatisation will continue at a pace within the public sector. For example, Disability Services sees salary growth restricted to 11.77 per cent over four years while supplies and services (contracting) will increase by 31.25 per cent,<sup>19</sup> and Child Protection will see a 13.5 per cent increase in funding for supplies and services while over the same period salary expenses are limited to a 7 per cent increase.<sup>20</sup> Of significant concern, against a sharp increase in demand for Child Protection services, is that for salary expenses to be limited to a 7 per cent increase over four years then current staffing levels will need to be reduced.

16. See http://www.theaustralian.com.au

- 19. Government of Western Australia (2013b, p.550-560)
- 20. Ibid (p.561-572)

<sup>14.</sup> Economic and Fiscal Outlook (2013, p. 4)

<sup>15.</sup> Government of Western Australia (2013a)

news/wa-nurses-threatened-with-the-sack/ story-e6frg6n6-1226584567480

<sup>17.</sup> Internal DAFWA budget briefing

<sup>18.</sup> WA Today (2009)

## What they haven't told you

Working with our members, we have been systematically reviewing the WA State Budget and revealing the real cuts to the public service. Those already disadvantaged in our society will be hardest hit by the cuts and continued underresourcing that are a feature of the 2013-14 State Budget. Indeed, the pattern of the cutbacks appears to be targeted at the government functions that provide support services to the most vulnerable. The following are real budget based examples of cuts to programs and services.

## Child Protection (DCP) (page 5)

Demand for child protection services has required an additional \$98.1 million to be allocated for the years 2012-13 through to 2016-17.<sup>21</sup> A portion of that \$98.1 million will be allocated to 'Supplies and Services'. Funding allocated to 'Supplies and Services' has increased from \$199,332,000 (2012-13 Estimated Actual) to \$226,267,000 in 2016-17 - this is a 13.5% increase in funding for contracting out over the next 4 years.<sup>22</sup> Over the same period salary expenses are limited to a 7% increase. We can assume that to meet this budget target either staff will not receive CPI wage increases over the next four years, as this would require a 10% increase in salary costs, or staffing levels will need to be reduced to accommodate salary restrictions. Indeed, the Department will also be expected to find \$5.835 million in Public Sector Workforce Reform savings.<sup>23</sup> We have identified a number of specific service cuts already:

- Abolition of the Family Crisis Program The Family Crisis Program provided cash or vouchers to people who presented at the Department of Child Protection seeking help for one-off household disasters such as a burnout of all whitegoods, a lost wallet or a lack of baby formula or food. <sup>24, 25</sup>
- Abolition of Community-Based Kindergarten Subsidy a grant application program for kindergartens with a high proportion of Aboriginal children.<sup>26</sup>
- \$4.459 million less funding for the Hardship Utility Grant Scheme (HUGS) - a State Government scheme

which provides financial assistance to help people with financial difficulties pay their water, gas and electricity bills so their supply is not cut off.<sup>27</sup>

 Abolition of the Child Centred Family Support Team in Bunbury – this team provided early intervention services to families in communities.<sup>28</sup>

### Disability Services<sup>29</sup>

The 2013-14 State Budget continues the trend of outsourcing in the Disability Services Commission. In 2016-17, \$19.1 million will be spent to assist non-government human services disability organisations in meeting the costs of service provision, while in the next 4 years 'Supplies and Services' (contracting out) will increase by 31.25%. Salary growth will be restricted to 11.77%, and there is no change in FTEs between 2012-13 and 2013-14. In addition, the Commission will be required to find Public Sector Workforce Reform savings of \$39.02 million across the forward estimates.

### Education (page 7)

The Department of Education has been hit hard in the 2013-14 budget; 350 education assistants and 150 central and regional office staff will lose their jobs.<sup>30</sup> The School Support Program Resource Allocation (SSPRA) funding will be cut by 30%, going from \$53 million in 2013 to \$37 million in 2014.<sup>31</sup> The SSPRA funding assists schools with tackling behavioural issues and literacy and numeracy. The Education Department will also be required to seek a payment or levy from schools with significant leave liability (because school workers take their annual leave on school holidays, this liability reflects a long service leave liability). The cuts to education in this budget will have a detrimental impact on the education of WA children, with schools trying to make ends meet with less funding and fewer staff. Public Sector Workforce Reform savings across the Department of Education total \$282.36 million.<sup>32</sup>

Western Australia, Legislative Assembly (2013b, p.1)
Government of Western Australia (2013c, p.272)

<sup>21.</sup> Economic and Fiscal Outlook (2013, p.151)

<sup>22.</sup> Government of Western Australia (2013b, p.561-572)

<sup>23.</sup> Ibid (p.562)

<sup>24.</sup> Western Australia, Legislative Assembly (2013, p.7)

<sup>25.</sup> Demand for this program across the previous 12 months ensured the fund was oversubscribed. Those who present at DCP offices in future will be directed to Commonwealth funded community organisation unless the client falls within one of the following categories: Families with children that are homeless or at risk of homelessness; family violence - assistance to leave; stranded travel (rural/remote); Bereavement Assistance Program; and disaster (natural disaster).

<sup>26.</sup> Ibid (p.6-7)

<sup>27.</sup> Government of Western Australia (2013b, p.569)

<sup>28.</sup> Such changes raise concerns that these services will not be available 29. Ibid (P.550-560)

<sup>29.</sup> IDIU (P.550-500)

Ibid

<sup>32.</sup> Ibid



## 54.4 million of funding

## Hardship Utility Grant Scheme (HUGS)

A scheme which provides financial assisstance to help people with financial difficulties pay their water, gas and electricity bills so that their supply is not cut off.

## ABOLISHED

## Family Crisis Program

Provided cash and vouchers to people who presented at the Department of Child Protection seeking help for one-off household disasters suchas whitegoods damaged in power surges, lost wallets or a lack of baby formula/food.

## ABOLISHED

Community-Based Kindergarten Subsidy A grant application program for kindergartens with a high proportion of Aboriginal children.

## ABOLISHED

Child Centred Family Support Team (Bunbury)

Provided early intervention services to families in communities.

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## "Cuts put good schools at risk"

Opinion, The West Australian Tuesday, September 17, 2013 p17

"WA students failed to make significant gains in any of the 20 categories assessed in this year's national literacy and numeracy tests compared with last year."

> The West Australian Saturday, September 14, 2013 p3

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#### TAFE

While TAFE does not have a dedicated income statement, the following numbers were taken from the Training and Workforce Development income statement which largely includes State Training Providers.<sup>33</sup> State Training Providers do have their own asset investment program and this shows a decrease in funding from \$47,724,000 in 2013-13 to \$7,485,000 in 2016-17.34 We can see from the income statement for training and workforce development there is a steady decrease in state funding from 2013-13 to 2016-17. The revenue expected from the sale of goods and services remains static despite the change in the entitlement model. Interestingly, TAFE State funding is due to decrease by over \$72 million over the next four years, while Federal funding will increase by over \$46 million. The increase doesn't match the decrease, ensuring that there is in fact a \$26 million funding shortfall on 2012-13 funding figures. Indeed, the Department of Training and Workforce Development (including TAFE) is required to find \$59.18 million in Workforce Reform savings across the forward estimates.

The reforms for WA TAFE funding in 2014, are inherently based on a 'firstness' or 'oneness' principle.<sup>35</sup> This is reflected in the proposed minimum entitlement to a subsidised qualification as being to a minimum of the first Certificate III. This implies once such a qualification has been obtained, regardless of how job ready the student has become, there is no further entitlement to any additional training on a subsidised basis. Unfortunately, it appears that should a student not be job ready, or indeed, find employment after having obtained their entitlement to a subsidised training place, and require further or different training for employment, they will have to pay for such training, at commercial or full-fee rates. This will significantly increase the cost to the student of further training courses. Introducing HECS-like income contingent loans to students for further training will only impoverish disadvantaged people in WA society further. TAFE has always delivered a cost effective solution for people to study, or obtain skills to enable them to either enter the employment market for the first time, or retrain after a career change. This capacity is now significantly threatened by the market based reforms which form the basis of the proposed competitive funding proposals. Further, the funding model, to be adopted in early 2014, provides access for a student to a subsidised priority qualification. Priority qualifications will mirror the State Priority Occupations List. This list is highly masculine with the Priority 1 list obviously reflecting the resources boom.

#### Local Government and Communities

The Department of Local Government and Communities is being required to deliver total savings of \$5.9million, of which \$3.4million is grants and \$2.5million is from salary expenses. This will be effective as of 2014/15 onwards.<sup>36</sup>

In May 2010 Premier Barnett announced the establishment of a new Social Innovation Grants Program to promote innovation in the delivery of social and community services. This grants program has now been abolished. Innovative and inspiring projects<sup>37</sup>, like those below, will no longer be able to access one off funding of this nature; instead they will be directed to Lottery West<sup>®</sup>:

- Private Rental Assistance Investigation Zonta House Women's Refuge's Private Rental Assistance Program aimed to increase the number of women who transition into secure private rental accommodation and accelerate the rehabilitation of women who have experienced family violence.
- **Ben's House** My Place Foundation created an integrated Smart House concept for people with a disability.
- Rockingham Social Connection Pilot Program trialled a 'community connector' model designed to assist people who are socially isolated to develop a social network and to contribute to, and be part of the community.
- Solid Youth: Building Better Futures Project Balga Detached Youth Work Project Inc received funding to work with Indigenous young people and their families to provide meaningful employment and develop home tenancy management skills.
- A Good Life Project received funding to develop a program to provide intensive long term support for individuals experiencing chronic/long term homelessness

<sup>33.</sup> Government of Western Australia (2013b, p.511)

<sup>34.</sup> Ibid (p.516)

<sup>35.</sup> Council of Australia Governments (2012, p.7)

<sup>36.</sup> Government of Western Australia (2013b, p.775-788)

<sup>37.</sup> See http://www.communities.wa.gov.au/grants/Prages/Social-Innovation-Grants-Program.aspx



# ABOLISHED

Removed potential barriers facing Aboriginal people trying to get their license.

> BreastScreen WA to remote & regional areas

Assistance for people who do not speak English as their first language.





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## Equal Opportunity Commission

The Substantive Equality Unit (SEU) of the Equal Opportunity Commission will be abolished with total cost savings of \$1.5 million anticipated across the forward estimates.<sup>38</sup> The SEU conducts reviews and provides advice to government departments on policy, and how departmental policy may affect vulnerable groups within our community. The role of the unit is to ensure that marginalised and minority groups are not disadvantaged through policies which unintentionally result in systematic discrimination. The then State Government released the Policy Framework for Substantive Equality in December 2004 and announced the establishment of the SEU in the Equal Opportunity Commission in June 2005.<sup>39</sup> The objective of the Policy Framework is to achieve substantive equality in the Western Australian public sector by:

- eliminating systemic racial discrimination in the provision of public sector services; and
- promoting sensitivity to the different needs of client groups.

Recent work by the SEU has seen the unit work with the Department of Transport in relation to the potential barriers Aboriginal people may face in obtaining and maintaining a driver licence.<sup>40</sup> Further examples of the SEU in action are:

- The Disability Services Commission now has a partnership with the Ethnic Disability Advocacy Centre which aims to ensure providers are aware of Aboriginal and ethnic minority groups' needs when applying Disability Service Standards.
- A review of a health promotion programs by the SUE has shown early involvement with Aboriginal groups makes the program relevant and clear.
- BreastScreen WA's mobile cancer screening now visits more than 100 remote and regional towns of Western Australia every two years. As a result participation rates have increased.
- Reforms are taking place across the Department of Housing including suitable correspondence for people whose first language is not English.
- Ethnic descriptors encouraging racial stereotypes for people of interest in media reporting are not being reinforced.

Under the Equal Opportunity Act 1984, it is against the law to discriminate when providing goods, services or facilities. The SEU helps departments use the State Government's Policy Framework on Substantive Equality. Departments must review their services to make sure they meet the diverse needs of the WA Community. Specifically, departments and their contractors must:

- Review existing services that are not working for Aboriginal and ethnic minority communities.
- Review any new policies and major initiatives before they are rolled out.
- Consult with Aboriginal and ethnic minority groups about any issues communities might have with their service.

Substantive equality recognises that while some systems may outwardly appear as non-discriminatory, they may not, in fact, be fully responsive to the needs and aspirations of different people and groups, which can result, unwittingly, in inequalities.

40. See http://www.transport.wa.gov.au/mediaFiles/DOT\_P\_SubstantiveEqualityAccessingServices.pdf

<sup>38.</sup> Government of Western Australia (2013d)

<sup>39.</sup> See http://www.eoc.wa.gov.au/Substantiveequality/Substantiveequalityresources.aspx

## **31%** Men in the Public Sector **77%** with permanency





\$79,621



## State of the Sector and beyond

We believe understanding the composition of the workforce can enable an organisation to highlight differences between groups in terms of satisfaction, engagement and progression. This in turns can enable organisations to identify, tackle and prevent issues that would otherwise undermine employee engagement and productivity. Undertaking effective strategic equality monitoring across the public sector would ensure that departments and agencies could examine how their employment policies and processes are working and identify areas where these may to be impacting disproportionately on certain groups of staff. Doing so could lead to the development of better and more informed, inclusive decision making, including decisions on recruitment and promotion. Effective monitoring can also help departments minimise possible legal, financial and reputational harm.

We suggest that the effects of the cuts may be three fold and are likely to be felt within the sector and beyond, primarily by women and those already disadvantaged in society. Firstly, the demographic composition of the Public Sector may change as a result of the Workforce Reforms. This cannot be assessed without accurate and comprehensive equality monitoring data. Secondly, women are both more likely to access public services<sup>41</sup> and encounter barriers in doing so<sup>42</sup>. As a result, changes/cuts to public services may disproportionately affect women. Thirdly, there are more women unemployed in WA than there are men. Fundamentally changing public services and cutting jobs may significantly change our communities. The information below demonstrates the real need for a Needs and Impact Assessment (NIA) of the Public Sector Workforce Reforms.

### Public Sector

Whilst the WA Public Sector does not undertake full equality monitoring, we do know a number of things.<sup>43</sup> Firstly, that there are significantly more women (69.6%) working in the sector than there are men (30.4%). Indeed, women comprise a significantly higher proportion of the public sector workforce compared with 43.8% in the total WA workforce. Secondly, that the 'feminisation' of the WA public sector workforce over time has been influenced by changes in occupational demographics, in particular, the privatisation of many 'blue collar' roles in the public sector and increased

<sup>41.</sup> Australian Human Rights Commission (2013) provides a discussion surrounding the notion that those undertaking unpaid carers work are more likely to be women. This report suggests that there is a possible link between unpaid caring work and accessing Public Services. Further research is required to support this.

<sup>42.</sup> The Department of Health and Aging (2009) in their discussion paper *Development of a new National Women's Health Policy* suggested that both woman and Aboriginal and Torres Strait islander people experience significant barriers to accessing health care.

participation of women in human services roles. In the last 25 years, the percentage of women in the WA public sector has changed from 47.0% in 1987/88 to 69.6% in 2011/12. Thirdly, that women have a slightly younger age profile compared with men (women's median age: 44.7; men's median age: 47.0), and that there are a higher proportion of women to men within the public sector in every age cohort. Fourthly, a smaller proportion of women than men hold permanent positions, 69.7% and 76.7% respectively, while a larger proportion of women than men are on fixed term contracts, or are casual employees. Fifthly, women also have a lower salary profile than their male colleagues. The median salaries of females and males are \$67 016 and \$79 621 respectively. Finally, that women's public sector employment in some regional locations/departments is strikingly high.

#### Women in the wider economy

In their report Women's Interests: Strategic Directions44, the Department for Communities suggests that whilst women account for 49.3% of the WA population, they are staggeringly underrepresented in leadership roles and representative forums. Further, that "a range of social and cultural factors contribute to many women having a more precarious financial situation than their male counterparts", and that "significant barriers to women's leadership in the workplace and in broader community life continue to exist".45 A view mirrored by the Australian Bureau of Statistics (ABS) in their recent report Gender Indicators<sup>46</sup>. The ABS conclude that the labour of women is more likely to be underutilised than men, with the underutilisation rate in 2011-12 for 20-74 year old women was 13.1% compared to 9.1% for their male counterparts. The underutilisation rates for female parents (whose youngest child was under 15 years) were nearly three times those of their male counterparts (14.9% for female parents with children under 6 years of age, and 16.1% for those with children aged 6-14 years). Female parents also had higher rates of underutilisation than the total 20-74 year old female population. Underemployment is the main contributor to the underutilisation of female parents. Perhaps most worrying, especially in view of the voluntary severance scheme targeting 1,000 positions across the general government sector, over the last 10 years, the unemployment rate of women has remained significantly higher than for men.

46. ABS (2013)

## 69% Women in the Public Sector 70% with permanency



**'Underutilisation' indicator** Degree to which a male/female's skills are underutilised in the workforce.

Median Salary



Section draws heavily upon the 2012 State of the Sector report available at <u>http://www.publicsector.wa.gov.au/publications-resources/pscpublications/state-sector-report</u>

<sup>44.</sup> Department for Communities (2011, p.1)

<sup>45.</sup> Ibid (p.4)

## Conclusion

We have a strong commitment to equality and to tackling discrimination and disadvantage. The WA public sector has a unique and positive opportunity to increase employment of underutilised segments of the Western Australian population, including mature people, women, Indigenous Australians and people with disabilities. We believe that integrating equality into policy considerations helps us all make more informed decisions and better directs public resources. We are deeply concerned that there has not been a NIA undertaken of both the 2013-14 State Budget and the Public Sector Workforce Reforms because we believe:

- the service delivery and job cuts may substantially change the demographics of the Public Sector and the communities within which it operates; and
- equality groups and those already disadvantaged in our society will be hardest hit by the cuts.

A NIA is a practical, but essential, way to ensure Public Services are meeting the needs of the diverse communities in Western Australia. It is a tool that departments can use to examine the way a service works, as well as how clients experience the service when they use it. The NIA process involves speaking to clients and colleagues to find any unintended barriers, particularly for Aboriginal and ethnic minority groups, in the department's policies and practices and to make recommendations to fix them so the department can offer WA's diverse public better service delivery. An NIA is not undertaken because it is a nice thing to do; it is undertaken because it is a smart thing to do. Having effective and efficient service delivery that meets the needs of everyone will prevent problems in the future, which will allow departments to get on with business – saving money that can be reinvested into other public services.

Taken together, the cumulative effect of the service and job cuts articulated in this short report could turn back the clock on decades of progress in achieving equality. As a result, we believe that a full NIA must be undertaken as a matter of urgency.

There has never been a more important time for people to get involved.

## Recommendation



Collectively we lobby the State Government for a full and exhaustive NIA, in relation to both the Public Sector Workforce Reforms and the 2013-14 state budget.

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## *Swept under the carpet: The truth behind the 2013-14 WA State Budget Report*

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