

Submission

to

Senate Employment, Workplace Relations and Education
Legislation Committee

Inquiry into the Workplace Relations Amendment (WorkChoices) Bill 2005

Submission no: 91

Received: 9/11/2005

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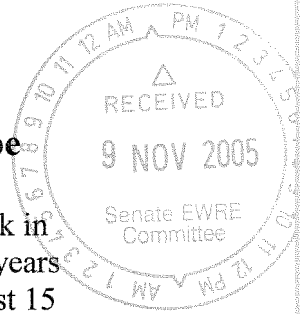
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Workplace Relations Amendment (WorkChoices) Bill 2005

Submission to Senate Inquiry 9 November 2005: Jeannette Hope



My background: I am by training a scientist, with a later degree in history; I work in the area of environmental and heritage research and management. I have had 45 years in the Australian workforce: casual retail, academic, public service, and for the last 15 years a combination of consulting, for both public agencies and private enterprise, and public service contract employment. I have been an employer as well as an employee.

Union Connections: Apart from a brief membership of HAREA (Hospital and Research Employees Association) in the 1970s, I have had no union involvement.

Senate Submissions: This is the first time I've made a submission to a Senate Inquiry.

My concerns about the "WorkChoices" Bill

1. Historically, this is the most radical change in working conditions since the introduction of the 8 hour day and the Harvester decision, except that it is actually going backwards.
2. Given the radical nature of the proposed changes, the time allowed for review, either by the public or the Senate is totally inadequate. It is only possible because of the current situation where one party controls both Houses of Parliament. Regardless of this, the Government has an ethical duty to the people of Australia and to our philosophical ideals of democracy (even though we don't always live up to these) to take the review process seriously – I'd suggest another six months.
3. The Government has been promoting the Amendments as offering 'choice' and 'fairness'. There are flaws in this argument.
4. True choice is only possible in any agreement between people if there is a balance of power or equality in the relationship. There is no equality of power in the relationship between a business company and an individual worker. Historically individuals grouped together in worker organisations (unions) in order to negotiate on a more equal basis. Of course worker organisations, on the one hand, and employers (or employer organisations) on the other have often worked to get the upper hand in negotiations and both sides have tried dirty tricks – that's human nature. But the fact is that the resulting balance of power between worker organisations and employer organisations over the last 150 years has been a major factor in creating a fairer society. The proposed Bill seems aimed at destroying the concept of a balance between different interests. From historical perspective, this is bound to lead to unrest, and that would put at risk all the perceived advantages to the employers (and the economy).
5. If each worker is forced to negotiate as an individual (in itself a negation of 'choice') then it would seem fair that each business has to work the same way – each shareholder should have to negotiate individually with the workers. Sounds ridiculous and unworkable? Of course; but so does the expectation of each

worker having the skills, confidence, knowledge and power to negotiate individually.

6. While the Bill is titled “WorkChoice”, “choice” is limited to just a few pre-determined things. There are clauses that actually prescribe and prevent choice, and indeed even penalise choice. What is worse is that this aspect is open-ended, under regulation, at the discretion of the Minister, anything can be added to the prescribed bundle at any time, and people can be fined if they don’t toe the line. If this is truly about genuine choice in a free market, then why can’t employers and employees make agreements on anything they like? You can’t have it both ways!
7. This aspect is the most disturbing. I recognise the attempt at clever “spin” used to label something unpalatable, that actually removes choice, as its opposite: providing “choice”. Clearly the Coalition has been using George Orwell’s 1984 as a text book on ‘Newspeak’. In the real world however this degrades the language of public debate. The hugely expensive advertising campaign to sell this spin is unconscionable and all members of the Coalition should be ashamed of themselves. On the other hand, we are all much more sophisticated about ads these days and the mad ad campaign seems to have had the opposite to the intended effect. For me, it raised so much scepticism that I actually read all the newspaper commentary (but I did not read the ads, just registered their existence with distaste), resulting in this submission.
8. Reducing workers’ conditions and wages may seem like a benefit to the economy. There are just a few flaws. Workers are also consumers. If they earn less and work more (or at times that are convenient to the employer rather than the worker) they will have less money to spend and less time to spend it.
9. It seems particularly idiotic to allow workers to trade away their holidays. First, this is an important health measure. I’ve been in high-stress work environments where workers had to be forced to take holidays for health reasons – better have them take four weeks leave and rest, than work continuously suffering stress and being unproductive, or have a heart attack and be off on sick leave for 6 months (I must say I haven’t read all the fine details – maybe you now just get fired if you’re off sick for that long – but wouldn’t it be better to keep the worker healthy and avoid the disruption?). Second, tourism is a very big industry – by (theoretically) advantaging the businesses that have workers taking less holidays, you disadvantage the business that needs workers to take holidays.
10. Any move that reduces wages will also reduce consumption. It was interesting to read that the managers of WalMart have woken up to the fact that while they save lots of money by paying their workers very low rates, it might actually be more profitable to pay them more so that they can buy more. Anyone who’s worked in retail (perhaps not a lot in the Parliament?) knows that turnover is the secret to success. You make money by having people buy more, not by paying your staff less. (In passing, I remember thinking during the Apartheid era that it seemed mad to keep the majority of the South African population uneducated and in poverty; when you had millions of potential producers and consumers – educate them, pay them well, make goods and sell them to this huge internal market. China seems to be learning that lesson.).

11. Following that thought, there is no way Australia can compete with China and other countries just by reducing wages and conditions. The huge differential in population (and demography – they have more younger people) means it wouldn't make any difference even if we cut our conditions to exactly the same. To compete, we need to specialise on high level skills and to get those skills we need to upgrade training especially technical training and poach high skills from the rest of the world. To do that we have to have better working conditions with real choice (not the pretend choice of this amendment). I predict that these workplace changes will actually discourage high skill people.
12. You will argue that they should allow, for example, the top international scientists to negotiate super-deals. That might be the case for the very top, but what we want to do is nurture the up-and-coming scientists. How will they get to the top if, when they're just setting out, they have to accept whatever they can get. It's pretty tough getting to be a scientist – at least 8-10 years at university, so you don't start earning till you're nearly 30, lumbered by HECS (HEX!) debts, and maybe with a young family; at that point you really don't have much bargaining power – you're desperate for any job. Of which there are less – cf. CSIRO cutbacks. I know of one scientist who works in a retail store to support his family and tries to do research in his spare time – what a waste!
13. On the basis of my recent reading, it appears that countries that have better conditions than ours also have higher productivity, notably the Scandinavian countries. We have a lot in common with them, small but highly educated populations, in the western tradition. We seem to be copying the USA but actually we are rather different; much smaller, less extremes of poverty and education (well, so far, though we seem to be working on it), much more cohesive culturally – we've done a good job generally with immigration. It could be argued that the USA has been able to get away with having a low-paid underclass (manly black, Hispanic and including huge numbers of 'semi-legal' immigrant workers), because of its luck / power in other areas – especially its historical near monopoly of the world's energy resources. This will inevitably change over the next century because of the decline in oil reserves and the development of China and India. (It would be interesting to see what would happen if the Middle East Islamic oil-producing countries actually industrialised and used their energy at home). We're not in any of that league, and reducing working conditions under the guise of choice and increased productivity won't put us there. We need to compete at the high end by **improving working conditions and paying more** in order to build up our high tech skills base (in the broadest sense – we need to make sure our agriculture is high tech, our environment management is cutting edge etc.).
14. I suspect that on reading what I've just written, any promoters of the Government's proposal will say: but we are giving people choice, it will improve their conditions. I reject that, because you are not game to give real choice, as noted above. And not only is the Bill highly controlling and prescriptive, it is another example of bureaucratic red tape gone mad. (I have been working for or dealing with government departments for 30 years and have seen the incredible

escalation of bureaucratic nonsense. (Senate Committee members – contact me and I'll send you some amazing examples).

15. Finally a personal note. My own experience suggests that negotiations between individual worker and employer are always unbalanced. Individuals are rarely in a strong negotiating position. A few individuals in high demand can negotiate high salaries and excellent conditions but the rest of us can't; that's why we are so fascinated by the highly paid footballers and film stars - - they are on another planet.

I worked for a government agency a few years ago when a workplace agreement came in. I wasn't involved in any consultation about the agreement and didn't get sent any information (I worked in a small outpost office). Why? It appears to be because I was 'only' a contract employee (for four years) employed on a project because of my specific skills. When I had a conflict with the agency, the workplace agreement did not provide any avenues for resolution; I was seen as a nuisance and my contract was terminated. Yet contract employment is surely the trend – isn't that one of the points of workplace agreements? My understanding of the new Bill is that it will leave employees even more vulnerable.

At another level, a (then) single mother I know did some casual work with an employer over a couple of years; but got disillusioned by underpayments, etc. She could not afford to take legal action; so at a time of great need and vulnerability she was ripped off. She has never worked in the area of her degree; there is no longer any Australian industry in this field. She grabs casual low paid work wherever she can get it. I cannot see how the Bill will improve her chances, indeed it will likely encourage exploiters.

16. My recommendation: scrap this poorly conceived piece of legislation.

- It will generate totally unnecessary conflict between employers and employees at a time when there has been, over the last few years, a really good economy and pretty good industrial relations. Why chuck that away for some ideological pipe-dream?
- It limits choice rather than provides it. In the long run, that will cause big problems.
- It sets up a major imbalance in industrial relations, with inevitable conflict and problems.
- It is the wrong way to move into the future: we need a high skilled and high paid workplace, one that will attract high level immigrants and nurture excellence. We won't get that by reducing conditions under the spurious guise of 'choice' and wasting time and energy on increased workplace conflict.
- It is at base unfair, because it is impossible for individual workers to negotiate on an equal level to employers. The most vulnerable will be at the mercy of the unscrupulous. While most employers are not deliberately unscrupulous (though they will look to the main chance, and often put perceived short-term gains above long-term goals), just the fear of this will weaken the negotiating power of individuals.

Jeannette Hope
9 November 2005