

Submission

to

Senate Employment, Workplace Relations and Education
Legislation Committee

Inquiry into the Workplace Relations Amendment (WorkChoices) Bill 2005

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**Youth Affairs Council of Western Australia's
submission to**

**Senate Inquiry into the Workplace Relations
Amendment (WorkChoices) Bill 2005**

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Introduction

The Youth Affairs Council of WA (YACWA) appreciates the opportunity to make a submission to the Senate Employment, Workplace Relations and Education Legislation Committee regarding the Workplace Relations Amendment (WorkChoices) Bill 2005.

YACWA is the Peak Body for the non-Government youth affairs sector in Western Australian and is a membership based organisation with statewide representation of a wide variety of people who work with and for young people. YACWA's mission is to strengthen the trust, cooperation, collaboration, professionalism and voice of the non-Government youth service sector so it can serve the young people of Western Australia.

The Council's vision is that of a united, independent and active advocate for the non-Government youth sector that is both supported and respected by the sector and the wider community. The Council believes in and actively promotes equity, equality, access and participation for all young people in the Western Australian community. These aims are achieved through developing and co-coordinating policies, facilitating programme responses, preparing resources for the sector and distributing information about young people's needs.

YACWA believes young people have a right to high quality, rewarding and secure employment and to remuneration which recognises the principle of equal pay for work of equal value. In order to achieve individual autonomy, social connection, and a reasonable standard of living young people require equal access to satisfying employment.

YACWA's position on the proposed Industrial Relations reforms is informed by its commitment to:

- Industrial relations legislation that provides proper protection of rights for young workers;
- Supporting affirmative action for particularly disadvantaged young people, such as indigenous and refugee young people;
- The abolition of the youth wages system, which discriminates against young people by denying them equal pay for work of equal value and skill.

Submission

To formulate a response to the proposed industrial relations reforms, YACWA has conducted research and consulted with both young people and YACWA members with extensive experience working in the youth services sector. There are a number of issues that YACWA is concerned about and would like to raise. These are outlined below:

1. Young people have not been consulted or adequately informed:

Young people have not been consulted in the development of the industrial relations reforms, nor have they been adequately informed about what these changes will mean. The majority of the young people consulted by YACWA (88%) had little to no understanding of the proposed changes and did not know how they would be affected by them. Furthermore, young people did not know how to access further information about the reforms. The advertising campaign was not considered informative but rather an unconvincing attempt to 'sell' the reforms and a waste of money.

2. Young people do not have equal bargaining power to employers:

The proposed changes will create a system where the responsibility to negotiate wages and work conditions will be placed on individual employees. This will greatly disadvantage young people who have less experience and confidence to negotiate with employers. Most of the young people consulted did not feel that they were in a position of equal bargaining power with employers and thought that trying to protect their rights could jeopardise their employment opportunities. The following two quotes illustrate this:

“I work casual and I get stuffed around a lot by the managers already. I get asked to do things that managers are supposed to do. I feel if I say no to the managers, then I might have my hours reduced. Because I am young I don't have much control or say”.

Carl, casual employee, 22 years old

“I feel that as a young person I am disadvantaged in my ability to negotiate. I feel like if I kick up a fuss I won't get the job”.

Caitlin, casual employee in hospitality industry, 20 years old

Additionally, young people often find it more difficult to differentiate themselves from other applicants due to less specific skills and experience. Employers are therefore in a position to hire the applicant willing to accept the lowest wages or worse working conditions. Natasha's quote reflects this:

“As student I have no bargaining power because I have no skills at the moment.. so my employer can say anything to me and if I want a job I have to go with what they say”.

Natasha, casual employee at Coles, 20 years old

Although not all young people are incapable of negotiating, and not all employers will take this opportunity to exploit young workers, these reforms place a large proportion of young people in a very vulnerable position.

3. The independence and wellbeing of young people will be jeopardised:

The minimum wage for young people, which is already low, is very likely to decrease under the new industrial relations system. It is also likely there will be an increase in the number of young people engaging in casual or part time, short term employment that provides inconsistent hours and little job security or opportunity for advancement. This will make it more difficult for young people to support themselves, and will place additional pressure on those trying to juggle work, study, family and other commitments. The experiences of young people in this regard are demonstrated in the following quotes:

“I'm 18years old and I get \$9 something an hour and I have to pay my rent. It's not much to survive on.

Young woman, working at Hungry Jacks, 18 years old

“I have previously earned under \$10 an hour but then I didn't have to pay bills. If they don't raise wages and the cost of living goes up then it will be harder to live.

Natasha, casual employee at Coles, 20 years old

Furthermore, parents and families of young people may be forced subsidise the living costs of young people. This places increased pressure on families and undermines the independence of young people. It also must be noted that not all parents or families are in a position to do this.

4. Disadvantaged young people will be further marginalised:

Young people from disadvantaged backgrounds, such as Indigenous, culturally and linguistically diverse (CALD) and low socio-economic, will be particularly affected by the changes. These young people are likely to have lower education levels, less experience and less confidence due to socio-cultural factors. They are therefore even less likely to be able to successfully negotiate with employers or gain secure employment. Young people living in rural and remote areas of Australia are also likely to face difficulties, due to the lack of employment opportunities in these areas.

The adverse effects on marginalised young people such as those with mental health issues, substance abuse issues, family problems or accommodation issues will be even more severe. Combined with the tightening up of welfare regulations, this legislation will force many young people into employment before they are ready. The likelihood of these young people being able to maintain employment is low. If dismissed from employment, not only will they experience a sense of failure or reduced sense of self worth but it is highly likely they will be denied Centrelink payments putting them in an extremely vulnerable financial position. The lack of income and negative impacts on psychological wellbeing will further exacerbate existing problems.

5. Increased pressure will be placed on the youth services sector:

The increased stresses placed on marginalised young people will indirectly impact on those providing services and assistance to young people. The youth services sector, and indeed the entire community services sector are already struggling to keep up with demands for their services. The proposed reforms will place gaining employment as the key outcome. This is in conflict with the approach of most youth service agencies, where finding secure accommodation, dealing with substance abuse issues and gaining treatment for mental health issues often need to be prioritised over seeking employment.

6. Greater wage inequality:

More broadly, the changes will create a wider gap between the highest and lowest income earners in Australia, between male and female workers and between 'adult' workers and young workers.

Conclusion:

YACWA believes that any industrial relations reforms need to support young people and take into consideration their vulnerable position in the labour market. YACWA is concerned that the proposed reforms will not do this, but rather have a range of negative implications for young people, particularly those from disadvantaged or marginalized populations. YACWA therefore strongly opposes the proposed industrial relations reforms as they fail to protect the rights of young people and will result in an increase in legal exploitation of young workers.