



**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL
TERRITORY**

SELECT COMMITTEE ON WORKING FAMILIES IN THE ACT

Members:

**MR M GENTLEMAN (The Chair)
MS M PORTER (The Deputy Chair)
MRS J BURKE**

TRANSCRIPT OF EVIDENCE

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**Secretary to the committee:
Ms G Concannon (Ph: 6205 0129)**

By authority of the Legislative Assembly for the Australian Capital Territory

Submissions, answers to questions on notice and other documents relevant to this inquiry that have been authorised for publication by the committee may be obtained from the committee office of the Legislative Assembly (Ph: 6205 0127).

WITNESSES

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The committee met at 2.07 pm.

BO'SHER, MR LUKE, Policy Officer, Youth Coalition of the ACT

HUNTER, MS MEREDITH, Director, Youth Coalition of the ACT

THE CHAIR: I welcome to this meeting of the Select Committee on Working Families in the ACT Luke Bo'sher and Meredith Hunter from the Youth Coalition of the ACT. Thank you very much for your written submission and for coming in. Would you like to begin this afternoon by making an opening statement? Before you do, I will read the privileges card to you.

The committee has authorised the recording, broadcasting and rebroadcasting of these proceedings in accordance with the rules contained in the resolution agreed by the Assembly on 7 March 2002 concerning the broadcasting of Assembly and committee proceedings. Before the committee commences taking evidence, let me place on record that all witnesses are protected by parliamentary privilege with respect to submissions made to the committee in evidence given before it. Parliamentary privilege means special rights and immunities attach to parliament, its members and others, necessary to the discharge of functions of the Assembly without obstruction and without fear of prosecution.

While the committee prefers to hear all evidence in public, if the committee accedes to such a request, the committee will take evidence in camera and record that evidence. Should the committee take evidence in this manner, I remind the committee and those present that it is within the power of the committee at a later date to publish or present all or part of that evidence to the Assembly. I should add that any decision regarding publication of in camera evidence or confidential submissions will not be taken by the committee without prior reference to the person whose evidence the committee may consider publishing. Would you like to make an opening statement?

Mr Bo'sher: The Youth Coalition of the ACT is the peak body for youth affairs in the ACT and it represents young people and those who work with them across the territory. We are responsible for representing, promoting and protecting the rights, wellbeing and interests of people aged between 12 and 25.

We are very concerned about the impact of WorkChoices on young people in the ACT and believe that many young people will be detrimentally affected by WorkChoices. However, we also see that there is both considerable scope and a high level of necessity for the ACT government to take measures to ensure that young people are better protected. We would like to highlight the most important parts of the submission that we have presented to you and answer any questions you may have.

THE CHAIR: Before you do that, please state your name for the Hansard record.

Mr Bo'sher: Luke Bo'sher. I am policy officer of the Youth Coalition for the ACT. May I proceed?

THE CHAIR: Yes.

Mr Bo'sher: Firstly, it is important to recognise that young people aren't

homogeneous. WorkChoices will affect different young people differently. While two-thirds of the people aged 15 to 19 are studying full time, a third of those aren't studying. Of the third not studying, just 40 per cent are working full time, while the rest either do not have employment or work part time. The two-thirds of young people studying are also diverse, with the majority working, but a substantial number not working. This shows that young people aren't homogeneous and it is not possible to make many generalisations about their experience in the labour force and what WorkChoices will mean for them.

However, there are some common themes and issues that apply to all young people in the ACT. These include things such as low levels of knowledge about workplace practices, limited experience in the workplace, a high level of unemployment in their cohort and very low wages. These are areas that we have explored in our submission. Firstly, we do not think it is possible to talk about WorkChoices in a vacuum. It exists within a much broader environment where a range of different things are going on.

The impact of WorkChoices will be influenced by a range of different factors for young people. For some young people, this will include welfare to work reforms; for others the seemingly exponential increase in rental rates. For some, the high cost of attending university; for others the unliveable level of the youth allowance or the extremely high rates of unemployment and underemployment in the ACT.

Today, we will briefly highlight four key issues that will make young people more vulnerable to the negative impact of WorkChoices. These are the high rates of casual employment, poor pay, unemployment and underemployment, and low levels of knowledge about workplace practices.

On the issue of casualisation, young people make up 40 per cent of all casual employees of Australia, but just 20 per cent of all employees. They are very much overrepresented in the casual market. This is partly because many young people combine study and work. In fact, over 85 per cent of young people studying full time are working part time in casual jobs. However, there are also many young workers in casual jobs that are just working there as their sole source of income.

While casual employment is appropriate for many young workers, there are some concerns about how casual workers will be affected by WorkChoices. Casuals are provided less security and protection than other workers by having their shifts cut and being out of a job at the discretion of employers. They also have more limited rights than permanent employees.

We fear that the deregulation of WorkChoices will lead to lower conditions in the workplace and more breaches of workplace rights. As such, more young people will be poorly treated by unscrupulous employers. However, the outcome of complaining for many young people could be the loss of their job. Essentially, the high rates of casual employment of young people will lead to many young people accepting substandard conditions and perhaps not complaining about their substandard conditions.

Young people are also generally quite poorly paid. The current remuneration for young people, we believe, is unacceptable and exploitative. Full-time workers at some

major retail chains are being paid just \$282 a week. Young people get paid a wage that does not allow them to support themselves and this wage will also be under the poverty line.

The introduction of WorkChoices and the removal of minimum conditions are likely to lead to fewer young people being paid penalty rates. The penalty rates are essential for young workers as their base rate often is quite low. Young workers often work late and irregular hours and, by removing penalty rates, young people's incomes can reduce significantly. This will drive young people further under the poverty line.

Unemployment, and the related underemployment, is a major issue for many young people. The unemployment rate for young people in the ACT is extremely high and one of the highest in Australia. Of the 15 to 19-year-olds in the ACT, over 20 per cent of those not in full-time education are unemployed, compared with 3.7 per cent for the general ACT population. Of these young people who are unemployed, 88 per cent want full-time employment.

Underemployment also is of concern, with two out of three young people not studying full time wanting to work more hours than they are currently working. The unemployment and underemployment rates often remain hidden under the reports of economic prosperity for many within the general population. That we have an unemployment rate of 20 per cent for young people not in full-time education is an issue that we all should be highly concerned about and the ACT government should take further steps to tackle.

There are also low levels of knowledge among young workers. They are disadvantaged because they have limited experience in the workplace and in the labour force. Many young workers are in their first or second jobs and have very little education about industrial relations matters. Research consistently shows that young people are less likely to know about the minimum wage, with only about 40 per cent reporting that they know it. Few are aware of their rights in the workplace and few understand the differences between AWAs and other agreements. They are also less likely to complain if ripped off. If they felt they were being ripped off, 20 per cent would just look for another job.

Casualisation, poor pay, underemployment and low levels of knowledge are likely to impact significantly on young people under WorkChoices. Other jurisdictions have taken action to ensure that young people are as well equipped as possible to engage in this new environment. Victoria funds an extensive education program, and Queensland has an excellent employment advocacy service. New South Wales has legislated to protect young workers. We believe that the ACT can help support young people by adopting the six recommendations we have made in our submission, specifically by funding the development and delivery of an education strategy and by funding a legal advice service for young people.

We think that it is undeniable that young people are at very high risk of being shafted by this legislation. As a community, we need to take steps to ensure that we, here in the ACT, put safeguards in place for young people that have been so obviously excluded by the commonwealth in the development of this legislation.

THE CHAIR: Thank you very much for those introductory comments. The Youth Coalition of the ACT is the first group to have actually given recommendations to the committee and it is good to see that. Ms Hunter, do you want to add any comments to those opening remarks?

Ms Hunter: No. Luke obviously has given a quite comprehensive overview of what is in the submission, but just to reiterate that we do need to tackle the high level of unemployment. That is certainly one that we would like to see some movement on in the ACT. As Luke has pointed out, there is a whole bunch of other issues around educating our young people about matters of industrial democracy and industrial rights. Many young people are not racing off to join unions, which were traditionally a place which would advocate for you and would ensure that you knew what your rights were and support you in that. We very much hope that the recommendations will be seriously considered by the committee.

THE CHAIR: On the unemployment level of 20 per cent for young people, can you tell me the parameters for that measurement? What were the ages?

Mr Bo'sher: Fifteen to 19 years old, not studying full time and unemployed in the ABS data. I think it is referenced in our submission: page 8, the last paragraph, reference No 16.

THE CHAIR: It is 21.8 per cent and the national average is 18 per cent. It is well above the rate for adults, of course.

Mr Bo'sher: Yes.

MRS BURKE: Why do you think that is so?

THE CHAIR: I was going to ask the same question.

MRS BURKE: What is the feedback from young people? Is it the lack of industry here? What is it?

Ms Hunter: I do not think we have all the answers, but I would say that the factors include lack of industry. Although we have lots of young people working in retail and hospitality, which we mention in our submission, in what could be low-skill jobs, in other states you would have bigger factories, manufacturing industries and so on which would be the low-skill positions. The other thing is that we have seen quite a move in the Australian government public service and the ACT public service away from entry-level positions. You would be hard pressed these days to find ASO3 and ASO4 positions. We used to have ASO1 and ASO2 entry-level positions. I do not know if they even exist across the ACT public service at the moment. There would be some ASO4s. I think that is having an impact, too.

Mr Bo'sher: I think we could do a little better with the training that we provide to young people. Although there are lots of really good programs in the ACT, we still talk often about skill shortages and we often talk about trying to attract people from the rest of the country and the rest of the world to come and work in the ACT, particularly in building and mechanics and those sorts of industries. I think that we

have to ensure that we have adequate supports there to get young people who perhaps do not want to do the final years of college. They could move into those industries.

MRS BURKE: Vocational aid.

Mr Bo'sher: Yes.

THE CHAIR: Again on the unemployment level and following on from what you have said, do you think that the take-up rate for those sorts of apprenticeship-style schemes in mechanics and things along those lines is affected by the levels in the public service as well? I am trying to say that, if you were looking at a job advertisement for an apprentice mechanic at probably \$10 an hour and one for an ASO4 or ASO5 in the public service for \$22 an hour, do you think that the hourly rate would have an effect?

Ms Hunter: Yes, I do. If you are an apprentice, you are on one of the lowest incomes and it is really tough—very tough. We need to provide far more support in that area for our apprentices. Yes, I think that it does have an impact when you can see that you could go into a job that is paying \$20,000 or \$15,000 a year more. Of course it is going to be attractive. Also, we live in a city that costs quite a bit of money to live here. Our petrol is higher, our groceries are higher and now, of course, we are in the middle of a rental housing crisis that is also impacting on other jurisdictions. With all of these things, of course you are going to make those decisions about where you are going to work and what sort of income you need just to get by from one week to the other, have a roof over your head, have some food in your belly and have the other things you need to survive.

THE CHAIR: You mentioned in your opening comments young people's knowledge of working conditions and awards and said that if they were to stand up and complain they would probably lose their jobs. Was that presented to you in evidence or is it anecdotal?

Mr Bo'sher: It is something that you see consistently throughout the research done on young people, whether you look at stuff by Job Watch in Victoria or the Young Workers Advisory Service in Queensland. They are the sorts of things that we consistently see. Young people do not know the complaints processes. Even before that, they do not know their rights. They do not know what they can and cannot complain about because they just do not know what they are entitled to. Even if they know what they are entitled to, some will not know the complaints process from that point on. It is really important that young people feel that they are a part of that complaints process and can engage with it, that it is not just something that adults can do and it does not apply to them, because it is something that they can engage with as well. I think that is really important.

Ms Hunter: That is not unusual. In fact, we picked that up some years ago through Centrelink. Very few appeals against breaches at Centrelink are done by young people. They will more likely walk away, saying that they cannot deal with it or whatever. They will just cop it rather than taking it on.

MRS BURKE: What can we do to resolve that?

Ms Hunter: Certainly, it is about education and it is about having advocates who are skilled to be able to take it up. Those are two critical things. Obviously, with our recommendations, we do cover that. It was an issue that featured quite heavily in the submissions that the Young Workers Advisory Service in Queensland gave to the federal inquiry into WorkChoices. They included a number of case studies in that. They are taking phone calls every day. Sometimes when they do give advice the young person will say, “Thanks; that is good to know,” but that does not necessarily mean that they will take it up and follow through anyway.

MRS BURKE: WorkChoices may have presented a new set of problems, but that has been happening under the award system as well. There are unscrupulous employers whatever system you have in place. I am very keen to see that young people know their rights and know their responsibilities and it is a responsibility to know what you are going to be paid and your working conditions. It is not just a right. I think it is a matter of balance there. The advocacy I like, somewhere that a young person can go. Let’s face it: no employer is going to get rid of a good young person. You are saying that between 15 and 19 perhaps they cannot get the employment that they need.

Mr Bo’sher: One of the things we point out in that submission, picking up what you are saying about getting rid of young employees, is that there is such a big pool of young people often all vying for the same jobs. I think some employers do think that it is okay to get rid of a young person because they know that there are so many other young people out there that really need a job. I think that the unemployment stuff is closely related to young people’s rights at work and how secure they are and how protected they are, because, if some employers know that they can just draw on this big pool endlessly, I think that they will do that.

THE CHAIR: Have you seen an increase in that? Have you seen an increase since WorkChoices in occasions of employers having dismissed young people with the view that it is easy enough to pick up another worker?

Mr Bo’sher: I think that our perspective as a peak body and not a service deliverer probably means that we do not often get that feedback. I think that maybe that feedback would also be not so much from young people knowing that but employers knowing that and they are probably not likely to share that with us. It is not the sort of thing that we have got directly.

MRS BURKE: I wish to follow up on that. I think that it is hard at this stage to determine what impact WorkChoices is having but, in part, we can see that there may be some difficulties for young people. Having said that, I go back to education. Do you think that young people are ready enough for work?

I was in business for 17 years before politics and I know that employers need people who can do the work. I think that for many of them, before we even get to the pay and conditions, it is a case of whether they are going to do the right thing. It does not necessarily follow that they are going to leave or be pushed out of a job. I talk to people in some of the cafes and restaurants and they keep their young kids right through university. As to where some of these young people are falling down, I think it gets back to what you said about education, advocacy, training and understanding

the work of the world of the 21st century.

MS PORTER: I have a couple of questions. One is about the legal service. You were saying that there is no adequate legal service for young people; that the Welfare Rights and Legal Centre is not providing this sort of support for these young people.

Ms Hunter: The Welfare Rights and Legal Centre's main focus is around things like Centrelink, welfare and that sort of end of the scale. What we would like to see is something similar to Queensland, and there may be others. There are certainly youth-specific community legal centres in other jurisdictions. Here in the ACT we have the Youth Law Centre, which is a consortium of organisations, and we are one of the organisations involved in that. It really does need some core ongoing funding, which it does not have at the moment. We have been lobbying for that for a few years. It would be great to have a place to go to or a phone number that young people can ring to get advice or go in and have an appointment and sit down—somewhere that could also be doing outreach community workplace education to build young people's knowledge.

I pick up on what Jacqui was saying. I think this lack of knowledge is not just because we had this new WorkChoices legislation coming in; that lack of knowledge was there beforehand. But what we also had was a greater role being played by unions in being able to get out, educate and put the resources out there. That ground has shifted. So it is very important that we provide a focus on this issue and make sure there is that education and also the advocacy and the advice.

MS PORTER: The other question I had was that we have heard from a number of people about people with disabilities. Have you identified any particular issues around people with disabilities?

Ms Hunter: What I would say there is that there are very few jobs out there, and that is a major issue. I understand that the ACT government did make a commitment a few years ago to increase the number of people with disabilities employed in the ACT public service. I am not sure how that is going and where that is up to.

THE CHAIR: In your submission you said that it is likely that lower rates of pay and conditions will occur out of the change that WorkChoices has brought. Have you identified any specific areas where that is occurring? In your comments you talked about casualisation and security and a concern about whether penalty rates are now being paid under agreements. Are there specific areas where this is occurring?

Mr Bo'sher: Do you mean in terms of industries?

THE CHAIR: Yes.

Mr Bo'sher: I think there is one section. There is a group of 151 academics around Australia who gave a submission to the Senate inquiry, and their evidence was really useful to me in this respect. It talked about how conditions will be lowered in areas that are low skilled and that also have a high pool of people that can easily take on those jobs. That relates to the unemployment stuff that we were talking about before. Those industries that they cite are ones like retail and hospitality, and these are the

sorts of industries that we know young people are working in. So from our perspective it is the industries that are likely to be employing young people that are the ones that are likely to also have a reduction in their conditions and remuneration.

THE CHAIR: Have you been made aware of any particular agreements where conditions have been lost compared to their previous awards?

Ms Hunter: Not directly, no. Obviously we know that organisations out there are collecting that information, and some of them are youth organisations, like the Young Workers Advisory Service. The ACTU are certainly collecting that information.

Mr Bo'sher: That is a good point. As Jacqui was saying before, there are a lot of things happening out there and we're not sure what is happening under WorkChoices. It hasn't been in all that long and there has not been an extensive amount of research specifically done on the impacts of WorkChoices. New South Wales has certainly commissioned a lot of research on that issue and I think that is perhaps another area that the ACT can be involved in, in terms of ensuring that that information is collected about what impact WorkChoices is having on the employment of people here in the ACT.

THE CHAIR: It might be worth while for the committee to get in contact with those agencies that are gathering that information.

MRS BURKE: Would the Youth Law Centre be somebody that you would advocate be a peak advocate for young people, jumping back to that question? I have never heard of them.

Ms Hunter: Certainly as a provider of legal advice and referral is where we see the role.

MRS BURKE: But could it take on a broad role in terms of industrial relations—

Ms Hunter: We certainly think as far as this advice and information and education are concerned, yes, that would be quite an appropriate place for it to sit.

THE CHAIR: In your recommendation 3 you have recommended to the ACT government that they advocate for the Workplace Relations Amendment (Work Choices) Act to be repealed to ensure that young people have sufficient protections in workplace relations and to create a fair and balanced industrial relations system. What sort of legislation would you see that could take the place of the WorkChoices legislation?

Mr Bo'sher: Something that incorporates a range of safeguards for young people and recognises that, unlike many other workers, they are newly entering the work force; they have not been there for very long and, as we recognise throughout our submission, they have low levels of knowledge about workplace matters. We would like to see something more supportive of young people that perhaps incorporates a lot more safeguards for young people, ensures that they are not exploited and that the sorts of contracts that they engage in are ones that will uphold a standard of living and a standard of remuneration and conditions that are acceptable and seen as acceptable

by the broader community.

Ms Hunter: WorkChoices is very much around that direct relationship between an employer and an employee, being able to sit down and negotiate an agreement. When we are talking about young workers coming into their first, second or even third job—quite young people—there is a power imbalance to start with. This idea of having a level playing field and being able to negotiate is a bit of a furphy. I know that the reaction from the spokesperson from the federal government was to say that people who were putting up the argument that this was unfair for young people were just being patronising. No, we're not being patronising. We are just putting out there the reality. The reality is that there is a huge power imbalance here; therefore, how can you come out with a mutually satisfactory agreement in those circumstances?

THE CHAIR: Are you aware of any situations where young new employees have been able to sit down and bargain an individual agreement with their employer?

Ms Hunter: No. That doesn't mean that they're not out there, either, because I think we need to be quite clear that not every employer out there is out to exploit their workers. That's quite clear; there are some good employers. There probably are some instances, but directly we don't know of any such stories.

THE CHAIR: The committee was able to go out and visit a group of employees last year at the Canberra Hospital—cleaners in the cleaning industry—and they felt that their conditions of employment were reasonably good at the time. Their biggest fear, though, was competition from other cleaning companies for the tender, which would mean that the conditions of service of another company would drop down so as to be competitive for that tender and therefore these particular cleaners might lose their jobs if their company loses the tender because they are paying the right rates of pay. Have you heard any evidence such as that from young people as well?

Ms Hunter: No, not at this stage. I think we are mainly hearing the stories from those more experienced workers who probably have a bit more confidence to come out and tell their stories. We know there are a number of these workers in the cleaning industry with the defence cleaning contract situation; a woman there came out and has been a fantastic spokesperson for the group in sharing that story with others. At this point, no, we don't have anything to give you on that.

MRS BURKE: Following on from that, to perhaps address this would you suggest something like a more formal induction period that has more rigour to it than “you are just going to be on a three-month trial basis”? If there were a proper induction period where certain criteria were laid down that had to be adhered to, so that the employer could talk with the employee and the employee was then able to ask the employer to explain these things to them, perhaps with an advocate from somewhere like the Youth Law Centre, do you think that has a basis for possibility of working? We have always had this problem, even under the award system—I know it—but let us look at that alone from that. What didn't we do then that perhaps even more so now we need to do? What would your thoughts be on that?

Mr Bo'sher: A package so that each employer would have to make sure that they sat down and went through this with new employees when they joined that employer?

MRS BURKE: More formally, yes, I think so. Meredith talked about the engagement between employer and employee being critical, firstly for relationships to have a good working environment but also so that young people are not exploited, so that employers are held to account and told that they don't just tick the boxes but have a relationship that says, "You'll be getting this here. You may not be getting that over here," and the employee can say, "That's not fair" or "Let's work through this." I guess I am just saying formalised; that employers may have to look at something like that; I think it would be of benefit and would be a win-win. Employees would not have employers telling them they are doing the wrong thing when employees have not been given a chance.

Mr Bo'sher: Any education campaign, advocacy campaign, or whatever that word might be, that does ensure that young people are made more aware of their rights and their responsibilities when they are in employment is a really positive thing.

THE CHAIR: On page 12 of your submission you have a section dealing with young workers' complaints. The dot points are quite frightening: 10 per cent of young people being paid under the minimum wage; 9.1 per cent not being paid on time; 39 per cent not paid for training and staff meetings that they are entitled to be paid for—and so it goes on. The other big figure is 46.2 per cent of people injured in the workplace, 59 per cent of which were burns. Was that a lot to do with the hospitality industry?

Ms Hunter: Yes, particularly the fast food industry.

THE CHAIR: Do you know when that survey was done?

Ms Hunter: Yes; you have a reference down the bottom.

THE CHAIR: We will chase that up then.

Mr Bo'sher: I'm not sure off the top of my head. I think it was 2004 from memory; it is certainly on the website.

MS PORTER: It will be useful to find out if there have been differences or changes after a period of time, won't it?

THE CHAIR: Yes. Are there any further questions?

MRS BURKE: No. It has been great—really good.

THE CHAIR: Thank you very much for your submission and your attendance today. We will get a copy of the *Hansard* to you as soon as we can and if you need to make any changes please let us know. We will keep you informed of how we are going with the inquiry as well.

The committee adjourned at 2.39 pm.