

Industrial Relations Act 1979

IN THE WESTERN AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION

No. 957 of 2005

BETWEEN:

TRADES & LABOR COUNCIL OF WESTERN AUSTRALIA

Applicant

-and-

**MINISTER FOR CONSUMER AND EMPLOYMENT PROTECTION
& ORS**

Respondents

**OUTLINE OF SUBMISSION AND MATERIAL OF
THE AUSTRALIAN YOUNG CHRISTIAN WORKERS**

Filed By: Australian Young Christian Workers
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Prepared by: Sara Kane
National Secretary
Australian Young Christian Workers
40A Mary Street
HIGHGATE WA 6003
Telephone: 08 9422 7936
Fax: 08 9328 2833
Email: sara.kane@ycw.org.au

INTRODUCTION

1. Pursuant to a decision of the Western Australian Industrial Relations Commission on 6 April 2006, the Australian Young Christian Workers movement (AYCW) was granted leave to intervene in the Application 957 of 2005 General Order to vary All Award Rates and Related Allowances in Awards of the Western Australian Industrial Relations Commission.
2. The AYCW supports the submissions of the Trades and Labor Council (TLC) of Western Australia made on 7 April 2006. That being the application for a 4 per cent increases in wages and allowances. This increase will ensure Western Australian employees covered under State awards can sustain a decent and just standard of living protecting vulnerable young casual and part time workers.
3. The TLC and the Minister for Consumer and Employment Protection & ORS have provided a comprehensive economic and industrial analysis supporting, to varying degrees, an increase to the minimum State Award wages and allowances. In addition to these submissions, the AYCW will make a submission focussing on young workers, with particular attention to: -
 - Overview of the AYCW
 - Profile of young workers
 - What young workers are experiencing at work
 - Sustainability of a 4% increase on minimum wages and allowance
 - What the AYCW believes to be good work
 - Why the AYCW supports the 4% increase to minimum State Award wages and allowances

OVERVIEW OF THE AYCW

4. The Australian Young Christian Workers Movement (AYCW) is a movement that educates, represents, and provides services for young adults. It is autonomously run by, for, and with young workers.

It is our goal is that each young worker should be able to live and work in dignified conditions and to be able to find value and meaning in their work. It is also our goal that each young worker be able to assume responsibility for finding solutions to their situations at the local, national, and international levels, in order to create a better world for all young workers. We believe that a worker is any person who uses their mind or body to take hold of the world around us, to use it productively or to make it useable for society. Thus when we speak of workers we are not limiting ourselves to only paid employees but also unemployed workers, voluntary or unpaid workers, university students, those workers in further training, and anyone else who fits this definition.

5. AYCW represents young people post school aged to 30 years. However, in this submission, AYCW will predominantly present statistics and situations of young people aged 15 – 24 years. This is a time when young people experience independent living for the first time, participate in further education and/or enter the workforce. This transitional time can influence young peoples future choices, particularly in terms of employment, family formation and living arrangements.

PROFILE OF YOUNG WORKERS

6. According to the Australian Bureau of Statistics (ABS)¹, there are 260,600 young people aged 15 – 24 years living in Western Australia.

This equates to 14 per cent of the state's total population. Of this population, there are 55.5 per cent (144 756) young people employed in some capacity.

HOURS WORKED, By employed 15-24 year olds²

Statistical area	15-19 year olds			20-24 year olds		
	Part-time %	Full-time %	Employed(a) no.	Part-time %	Full-time %	Employed(a) no.
Albany	58.6	37.1	1 032	34.5	62.2	965
Broome	55.1	35.6	405	31.3	62.0	721
Bunbury	55.0	39.8	1 110	29.6	67.3	1 427
Busselton	59.4	36.5	789	32.4	62.7	778
Carnarvon	38.7	51.8	168	30.3	62.4	271
Geraldton	55.6	38.7	602	28.2	68.5	714
Kalgoorlie/Boulder	42.4	52.2	951	20.4	75.6	1 524
Mandurah	62.5	32.5	1 491	33.8	62.9	1 321
Northam	52.0	41.3	223	24.3	73.0	263
Port Hedland	48.1	44.8	368	23.9	72.7	528
Perth SD	64.1	30.9	46 636	37.0	59.9	64 801
Western Australia	61.6	33.3	61 546	35.3	61.5	83 210

(a) Includes employed persons aged 15-24 who did not state the number of hours worked.

¹ Australian Bureau of Statistics, *Youth in Regional Western Australia, Catalogue Number 1367.5*, September 2005.

² Australian Bureau of Statistics, *Western Australian Statistical Indicators – Feature Article Youth in Regional Western Australia, Catalogue Number 1367.5*, September 2005.

It is evident that a high proportion of young workers are employed on a part time basis (61.6 percent aged 15-19 years and 35.3 per cent aged 20-24 years), some of which will be on a casual basis. Evident in Australian Bureau of Statistics³, 44.5 per cent of Australian young workers are employed on a casual basis. That is nearly one in two young people.

7. According to national statistics drawn from the ABS⁴, 31 per cent of Australian young people aged 15-24 years are employed in the retail industry. The hospitality industry, namely accommodation, cafes and restaurants employ 10% of all employed young people and property and business services account for 9%.

Within these industries, 24 per cent of all employed youth work as elementary clerical, sales and service workers. Other common occupational groups include intermediate clerical, sales and service workers (20 per cent), and Tradespersons and related workers (15 per cent).

The median income earned by young people across Australia increases with age. Starting from \$16 per week for 15-17 year olds, to \$162 among 18-19 year olds and \$375 for those aged 20-24 years. Young men had higher median incomes than young women.

8. Based on these statistics, it is evident that young people aged 15 – 24 years are predominantly employed in the retail sector, hospitality industry and in small businesses, in low skilled positions as part time or casual workers earning minimal weekly wages. Many young people will remain under and continue to heavily rely on the State Award system and state minimum wage.

³ Australian Bureau of Statistics, *Labour Force in Australia, Catalogue Number 6203.0*, July 1999.

⁴ Australian Bureau of Statistics, *Census of Population and Housing: Australia's Youth 2001, Catalogue Number 2059.0*, April 2004.

9. Young people are choosing to work in this type of employment for two main reasons. The first, being employed in a casual or part time capacity provides a study subsidy. The second, casual and part time work provides some work, often in an underemployment situation, to avoid unemployment.

In November 2001, the Australian Bureau of Statistics⁵ recorded that 42 per cent of self-identified casual employees were aged between 15 to 24 years, with almost one in five (19 per cent) being depended students. Casual employment has become a distinct characteristic of the youth labour market. Parallel with the rise in casual employment, the participation in higher education has jumped by 66 per cent over the past decade, while public funding of higher education has not matched this increase⁶.

Sammie (23) works casually in a small retail outlet. She mostly works Thursday nights and Saturdays and supplements her wage with Austudy. Although she receives income from two sources she is unable to support herself away from home and is dependent on her family⁷.

Alternatively to a study subsidy, when young people either leave school early or are unable or do not want to pursue further education, casual or part-time employment becomes part of the cycle of underemployment as an alternative to unemployment. After struggling to find a job and then being successful, young people may resign themselves to the fact that “this is the best I can get” ... ever. This notion is evident amongst 56.9 per cent of all casual workers in Australia who have been employed for more than 12 months, 40 per cent for more than two years, and almost 7 per cent for more than 10 years⁸.

⁵ Australian Bureau of Statistics, *Australia Now: Social Trends: Work: Casual Employees*, 2003.

⁶ Cassidy, F., “High costs force students to abandon uni”, *Canberra Times*, 8 September 2004.

⁷ Australian Young Christian Workers Movement, “Don’t Bother Coming in Today. Casual Work, Casual Nature”, 2001, p.13.

⁸ Wooden, R. and Warren, D., *The Characteristics of Casual and Fixed-Term Employment: Evidence from the HILDA Survey*, Melbourne Institute Working Paper No 15/03, Melbourne, 2003.

WHAT YOUNG WORKERS ARE EXPERIENCING AT WORK

10. As casual and part time work is often perceived just as a study subsidy or as an alternative to unemployment on the track to more permanent and full time work, young people can become disengaged from their work and uninformed of their employment rights.

David (26) As a worker I feel worthless and uninformed. No one bothers to tell us what is going on in our workplace.

I find it very difficult to feel committed and loyal to my employer. After all they can dispense of me whenever they feel like it⁹.

As a response to the perception that casual and part time work will be short term, young people often adopt a 'casual mentality' about work such as "I won't be here long, so it doesn't really matter if I don't know if I'm being paid correctly". This approach to work and patterns of behaviour decreases the young workers motivation to advocate for improvement.

In 1999 the AYCW undertook a survey of 1409 young casual workers across Australia. The results were detailed in a 2001 report, "Don't Bother Coming in Today: Casual Work, Casual Nature". The survey results found that 55 per cent of casual workers reported they did not know their correct rate of pay for their job, nor were they certain they were being paid correctly. Additionally, 33 percent said they worked unpaid overtime.

⁹ Australian Young Christian Workers Movement, "Don't Bother Coming in Today. Casual Work, Casual Nature", 2001, p.5.

Liz works for a large retail chain. She started when she had just turned 16 and has been working there for about 21 months. She had her 17th birthday nine months ago and is still being paid the same rate, as she was when she was 16. She isn't sure how much she is supposed to be paid¹⁰.

11. It alarms the AYCW that in addition to a 'casual mentality' towards work and being uninformed of their rights in casual or part time low paid and low skilled work, young people will be experiencing an increasing occurrence of individual contracts, lack bargaining skills, and be in possible situations of intimidation on the part of the employer in negotiating such agreements, placing them amongst the most vulnerable in Western Australia's workforce.

It is for these reasons that the AYCW strongly advocates for a 4% increase to the minimum State Award wages and allowances.

SUSTAINABILITY OF A 4% INCREASE ON MINIMUM WAGES AND ALLOWANCE

12. The AYCW is concerned that an extreme increase in minimum wages and allowances would be detrimental to youth employment as, youth employment becomes particularly vulnerable with any increase to minimum wages¹¹. However, it is the AYCW's understanding that the 4 per cent increase is economically sound and sustainable given the current state of the Western Australian economy. To this end, we believe that the 4 per cent rise will be a moderate increase to the current minimum award wages and allowances. Hence alleviate any concern that young people will be vulnerable to job losses.

¹⁰ Brisbane Young Christian Workers, "Get Smart about casual work. Curriculum resource kit for teaching secondary students about casual work", 2005, p.49.

WHAT THE AYCW BELIEVES TO BE GOOD WORK

13. The AYCW holds a strong position on decent work and promotes the following beliefs:

- We believe that workers' dignity has priority over excessive profit margins and/or organisational outcomes.
- We believe that globalisation and precarious work can lead to exploitation and an increase in the vulnerability of young workers.
- We believe that precarious work can lead to an attitude of self-interest, competition, division and lack of solidarity in the workplace.
- We desire, through work:
 - sufficient working hours to live
 - **a fair wage**
 - a safe workplace
 - community at work
 - job security
 - work satisfaction.
- We believe in the need for an international worker movement in solidarity.
- We believe that young workers should join unions.
- The YCW confirms its solidarity with Catholic Social Teaching on work.
- We believe that the reality of young casual workers today is unacceptable. Casual work should be more regulated, including introduction of:
 - standard pay rates
 - minimum hours per shift
 - minimum notice of shifts (except in extenuating circumstances)
 - minimum hours per week
 - standardised breaks
 - contracts (formal) and job descriptions (informal).

¹¹ As cited in the Minister for Consumer and Employment Protection submission. OECD, *Employment Outlook*. June, 1998, Paris.

- We believe that all young casual workers deserve respect and have the right to work in dignified conditions.

14. The AYCW position on work is consistent with Pope John Paul II's teaching about work in the encyclical "Laborem Exercens"¹².

"Work is a principal means by which humankind seek their personal fulfilment and make their contribution to the common good. Thus there is a natural priority of labour over capital. Simply expressed, work exists for the person, not the person for the work. It follows that human work cannot be treated as a resource or as a commodity to be traded in like any other commodity... Every family has the right to sufficient income through work. Workers have the right to just minimum wages and to just and safe working conditions." Laborem Exercens #12

15. The AYCW believes that the minimum wage paid to young workers needs to be at a level that can sustain young people who are looking to start families now and in the near future; those who have young families that they must provide for; and those who have, or will soon have, elderly family that they must support.

Shane (34) was employed as full-time casual (night shift) for a refrigeration transport company for four years before being made permanent. He worked two casual jobs to make ends meet and pay off his mortgage after his daughter was born¹³.

¹² Pope John Paul II, *Laborem Exercens: On human work*, Vatican encyclical, 14 September, 1981.

¹³ Australian Young Christian Workers Movement, "Don't Bother Coming in Today. Casual Work, Casual Nature", 2001, p.1.

WHY THE AYCW SUPPORTS THE 4% INCREASE TO MINIMUM STATE AWARD WAGES AND ALLOWANCES

The AYCW advocates strongly for young people in low paid and low skilled jobs in a casual or part time basis. We recognise that through this work, young people rely heavily on the fact that the minimum wage and conditions are a means to avoid poverty. It is essential that minimum wages and allowance established at a decent and just level.

The AYCW supports the TLC submission of increasing Western Australian award wages and allowances by 4 per cent.