

AUSTRALIAN GREENS' DISSENTING REPORT

- 1.1 The Australian Greens oppose the Fair Work Amendment Bill 2014 (the Bill).
- 1.2 The full scale of the Abbott Government's attacks on workers, especially young workers, becomes clearer each day.
- 1.3 This Bill, when read in the context of the 2014 Budget and related legislation, makes it clear that life in Australia is going to be very different, in coming years, to how it has been in the past.
- 1.4 A young person who finishes school and continues to tertiary education like university or TAFE will have to spend the next six months looking for work with no income at all – not even the dole, which is below the poverty line.
- 1.5 If they are not able to find work, they will be put on a Work for the Dole program. At the end of that time, if they are still out of work they will be denied the dole for six months, rather than receiving support. This will happen regardless of other factors, like living in a regional town with high youth unemployment, or being located in a suburb where job prospects are low.
- 1.6 The government has no solution for what a young person should do when not in receipt of benefits. Landlords and utility companies will still need to be paid. Loss of housing is a real prospect in this situation.

Individual flexibility arrangements (IFAs)

- 1.7 The evidence before the Committee in this Inquiry makes it clear that a young person faces a grim future on the job front, as well. The proposed changes to individual flexibility arrangements (IFAs) are particularly disturbing. In short, an unscrupulous employer may now be able to say to a newly employed worker: 'I know there is something called the minimum wage, but I am not interested in paying you that. I am prepared to offer you less, with a few benefits on the side. That might be different from the legislated minimum wage, but really it's up to you – take it or leave it.'
- 1.8 These statutory creatures – the IFAs – were given life by the former Labor government. They allow an employer and employee to depart from legally defined minimum conditions, provided that an employee is purportedly not overall worse off. However, these agreements don't have to be pre-approved by the industrial umpire: compliance is only ever determined if an employee has the resources to sue their employer.
- 1.9 Under this Bill, an employer will be able to enter a legally binding agreement with their workforce on Monday, and then contract out of it with an individual on Tuesday.

1.10 Item 8 of this Bill introduces a new Note, which reads in part: Benefits other than an entitlement to a payment of money may be taken into account.

1.11 The government wants to change the test through Item 8 so that ‘non-monetary’ benefits can be taken into account when an employer determines if their employee is better off overall. Does a burger and chips from the owner of the corner shop allow them to deduct \$10 from a young person’s already low wages? If the company owner insists on part-paying a young person in kind with their product, does the person have the power to refuse? Landlords and utility companies only accept money as payment – though this government is unconcerned about that.

1.12 While the assault that the Commission of Audit recommended, in relation to the minimum wage, is on hold, the government has commenced a more underhanded campaign of which this Bill is part. For a generation already facing the triple threats of global warming, unaffordable housing and insecure work, life is about to get a lot more precarious. People will be forced to accept less, because the alternative under the budget welfare reforms is nothing.

1.13 Ultimately, wages and conditions for everyone will be affected. Why employ an older worker when a younger, disempowered one will work under duress for less?

Other elements

1.14 This Bill is objectionable in other respects. Most Australians would assume that an agreement applying in the workforce involves at least two parties. However, under Part 5 of this Bill, an employer is now going to be able to agree with itself about what legislation and minimum conditions will apply in a workplace.

1.15 The provision about so-called Greenfields agreements says that, if an employer is about to start a new project, and wants to negotiate an agreement for wages and conditions over the course of that project when it gets up and running, all the employer has to do is effectively wait three months to get the agreement it wants. They can propose a substandard agreement and, if three months later no bargain has been struck with the union, the employer can seek that the Fair Work Commission ratifies that agreement.

1.16 The Greens also know that in many cases, the only way a worker knows about – let alone is able to enforce – their minimum wage conditions is through a union. However, this Bill proposes, in Part 8, to wind back those provisions which allow for that support to be available.

1.17 The Australian Greens also have concerns about other aspects of this Bill. The Australian Greens do not consider that any element of this Bill has enough merit to warrant support for the Bill.

Recommendation 1

1.18 The Australian Greens recommend that the Senate reject the Bill.

**Senator Penny Wright
Australian Greens**