

**Submission
No 47**

INQUIRY INTO IMPACT OF COMMONWEALTH WORKCHOICES LEGISLATION

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Theme:

Summary



WASTE CONTRACTORS
AND
RECYCLERS ASSOCIATION
OF N.S.W.

ABN 72 805 135 472

SOCIAL ISSUES COMMITTEE

5 JUL 2006

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By facsimile- 02 9230 2981
30th June, 2006
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SUBMISSION FOR LEGISLATIVE COUNCIL ENQUIRY INTO WORKCHOICES

The Waste Contractors and Recyclers Association of NSW ("WCRA") represents Employers doing business in the waste and recycling industry generally. Our membership covers a wide spectrum of Employers from organisations which engage from one to three Employees up to the major players in the industry who engage hundreds of Employees.

The industry itself is a robust industry which is significantly based on competitive tenders both in the domestic waste area (where the Customers serviced by our Members are local government entities) and the trade waste area (where the Customers serviced by our Members are varied businesses from small to medium to large). Put simply, the waste management industry is one of the most pervasive industries in New South Wales. It touches all walks of life and all industries, in ways which are often not thought of or understood by the general public.

Due the pervasive nature of our industry our Association is able to offer a comprehensive insight into the effect that the WorkChoices legislative package is likely to have on the people who work in the waste industry. Our Members welcome a number of aspects of the WorkChoices package, but at the same time they have immense concerns about other aspects of the package. We have decided to delineate the positive and negative aspects of the WorkChoices package, as they relate to our Members, in the submission below.

1. Positive Aspects of WorkChoices

Our Members believe that the award system itself had become cumbersome. Even with the award simplification process both the Waste & Recycling Award and the Trade Waste Award had approximately forty clauses each. It was difficult to comprehend how much of the language in the awards really related to the day to day operations of a waste contractor.

Although our Members were able to conduct their businesses under this system it seemed that the system itself had reached a point where it ceased to be truly effective, and in many respects the entire system contributed to significant business inefficiencies.

Equally there is no doubt that if Australia is able to achieve a unified industrial relations system where Employers operate according to one set of laws, notwithstanding the state they do business in, then this must surely increase our efficiency as a nation not only in the waste management industry but in all industries. It would be difficult if not impossible to argue against this principle.

Our Members are also supportive of the limitation on the rights of Employees to commence unfair dismissal proceedings. While we understand that an Employee who is dismissed from employment should have a right to fair treatment, it would seem evident that the jurisdiction which supported unfair dismissal claims had descended to a position where it had become a source of revenue for ambulance chasers of all descriptions. The "rights" of dismissed Employees had apparently become secondary to the needs of representatives who were pursuing fees. It therefore seemed that the only way to avoid this outcome was to eliminate or at least severely reduce the capacity of individuals to contest their terminations from employment, and WorkChoices has accomplished this. While it is true that there may be some aggrieved individuals, as a result of the changes the national interest was, in our respectful view, best served by the limitation placed upon this jurisdiction.

2. Negative Aspects

The positive aspects mentioned above are appreciated by our Members; however, simultaneously our Members harbour some very deep concerns about the medium to long term effects which the WorkChoices package may have. By pinning the "no disadvantage" test to the Australian Fair Pay and Conditions Standards the government has effectively reduced the safety net to an extremely low level. While this may have no effect in industries where highly skilled and trained Employees operate in a labour market of relative scarcity, this dramatic change could potentially have a dramatic effect in industries where unskilled or semi skilled Employees operate and the labour market offers Employers the luxury of choice. What our Members envisage is that Australia will develop a class of Unskilled Workers who are likely to be forced to work at, or very close to the minimum wage.

Australian society has been successful largely because of its egalitarian and open nature. In accordance with this nature as Australians we have a relative feeling of equality. Our Members see this equality as being placed under severe threat by WorkChoices. It will be available to unscrupulous

Employers to exploit the legislated minimums of WorkChoices and create a low cost workforce. This workforce will be sourced from the Unskilled Workers referred to above. Whilst it is true that at a time of economic buoyancy this may not occur, we have to assume that economic buoyancy will not always be with us. There will be times of economic downturn, and it is in those times when unemployment increases that unscrupulous operators may offer rates and conditions that are much lower than the existing conditions. Once these conditions are created and accepted it will be very difficult for such Workers to break away from this cycle, and our Members believe that this is a dangerous development for the future of Australia.

The waste and recycling industry is an important industry and one where that importance is growing rather than reducing. Increasingly, people are conscious of the need to dispose of waste in an environmentally sensitive way, and for this reason our Members are increasingly faced with the need to develop systems to take us forward in a manner which is creative and environmentally friendly. It is the nature of waste that it still relies (and is likely to rely for many years to come) on a high labour input and much of that labour is either unskilled or semi skilled. Our Members do not want to see situations develop where they are forced to engage Workers at below the current industry award conditions. Currently our Members are committed to sustaining a decent level of wages so that Employees can work in the industry and know they will be properly treated. In order to do so, our Members must have viable and sustainable businesses themselves. If they are confronted by unscrupulous competitors who seek to drive down wages to the lowest possible level, then in order to save their businesses, our Members will be forced to respond; and it will be within such a scenario that there will be a crash in wages and conditions and resultant social effects on Employees in the industry. None of this bodes well for the future.

In summary, our Members are supportive of much of what WorkChoices has to offer. However, their support is substantially diluted by their concerns for where WorkChoices will lead Australian society. Should economic growth be achieved, then that this is certainly desirable for our country and for the waste management industry; however if the price of that growth is the creation of a two tiered society, and a permanent underclass then our Members believe that that price will be too high.

Dated this 30th day of June 2006

For and on behalf of the Waste Contractors & Recyclers Association of NSW

Tony Khoury
Executive Director

