

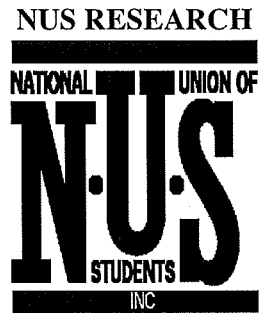
Submission
No 27

INQUIRY INTO IMPACT OF COMMONWEALTH WORKCHOICES LEGISLATION

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Theme:

Summary



Submission
to

NSW Legislative Council
Standing Committee on Social Issues

Inquiry into Impact of Commonwealth's WorkChoices Legislation

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Prepared By

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Submitted: 26/5/06

NUS welcomes this opportunities to present our concerns about the impact of the federal Work Choices legislation

NUS is concerned that the WorkChoice legislation will lead students into circumstances where they will have to engage in paid work longer to make up for lower pay rates. This will lead to a corresponding impact on academic performance and engagement with campus life. Over the last couple of decades there has been a profound shift in the level of engagement by students in university study and campus life. Most students are now struggling to balance their time at campus with substantial amounts of part-time work. In 2001 only 21 per cent of students aged less than 19 who were studying full-time at university received Youth Allowance. The corresponding figure in 1998 was 33%.¹ The narrowing of the student financial support from the Commonwealth means that the majority students now find it necessary to take on much higher levels of level part-time paid work than those who studied in the 1970s and 1980s. This has negatively impacted on their studies and also led to a decline appropriate levels of campus engagement outside the class room needed to develop a well rounded graduate.

According to the AVCC's survey *Paying Their Way*, about 8 out of every 10 undergraduate university students were in paid employment during 2000.² This is an increase of about 50% from 1984.³ Not only has the number of students undertaking paid work dramatically increased, so have the number of hours they work. On average, students in paid employment *during* semester work an average of 14.5 hours every week. This is a three-fold increase on the 1984 data.⁴ These figures are similar to those released in a report by McInnes and Hartley for the Department of Education, Science and Training which found that the average full-time student is working 15 hours a week.⁵ It also found that forty per cent of students work more than 16 hours a week, and 18% work 21 hours or more⁶. Most students work in order to provide themselves with a living wage. Two-thirds of students surveyed for the DEST report said they needed to work just to meet their basic needs and 75% reported that their paid work was their only or main source of income.⁷

¹ Bob Birrell, Ian R. Dobson, Virginia Rapson and T. Fred Smith, *Higher Education at the Crossroads*, Centre for Population and Urban Research, Monash University, 2003, p.5

² Martin Hayden and Michael Long, "*Paying Their Way: A Survey of Australian Undergraduate University Finances, 2000*", Australian Vice-Chancellors' Committee, October 2001, p. 94.

³ *Ibid.*, p. 98.

⁴ *Ibid.*

⁵ Craig McInnes and Robyn Hartley, *Managing Study and Work: The Impact of Full-Time Study and Paid Work on the Undergraduate Experience in Australian Universities*, DEST, Canberra, 2002, page xi.

⁶ *Ibid.*

⁷ *Ibid.*, p. 15.

NUS is not contending that part-time work in the right amount is bad for student academic performance. There is some evidence that a small amount of part-time work can be beneficial to students. However, an excessive reliance on part-time work can lead to strong negative impact. A University of Canberra study found a small positive academic impact of part-time work for students working up to 11 hours. But it also found that students working more than this suffered a negative impact on their academic performance, and that for those working more than 20 hours a week that the negative impact was substantial. The disturbing conclusion from the University of Canberra study is that the majority of students now fall into the category of those whose academic studies are being substantially disrupted by excessive paid work commitments.

A DEST-commissioned study also found that many students are having difficulty coping with their work and study commitments:

*'Substantial proportions acknowledge money worries and stress from studying and working; 40 per cent agree that their paid work gets in the way of their academic studies; 34 per cent that worrying about money makes it difficult for them to concentrate on their studies; and a high 63 per cent, significantly more women than men, say they are often overwhelmed by all they have to do.'*⁸

A study released in 2005 by University of Canberra's Centre for Labour Market Research⁹ confirms that the disturbing trend for students to increase part-time work commitments over study and campus commitments has continuing to increase since DEST and AVCC studies in 2000. The study found that the average full-time University of Canberra student in 2004 was in paid work an average of 20.9 hours a week. In contrast they were only spending 12.7 hours a week in class contact and 11.5 hours per week in extra-curricular activities. Paid employment accounted for 60% of their total income.

Now with WorkChoices it will get even worse for many students. NUS is concerned that the rights of students and young workers will be further undermined as they are already in a vulnerable position in the labour market. The typical areas of student employment are already casualised and sometimes cash-in-hand arrangements. NUS is concerned that the government legislation is designed to drive down the wages and diminish the conditions of those at the bottom end of labour market. Given that student income support measures have been eroded to the point that they no longer provide significant assistance to most students, students will have no option but to work longer and in more exploitative circumstances just to cover their basic living expenses.

Richard Denniss in a recent article in the Journal for Political Economy¹⁰ outlined the

⁸McInnis and Hartley, op. Cit, page xi.

⁹ Applegate C, and Daly A, The Impact of Paid Work on the Academic Performance of Students: a Case Study from the University of Canberra, Discussion Paper, Centre for Labour Market Research

¹⁰ Denniss R, "Young People's Attitudes To Workplace Bargaining", Journal of Political Economy, No. 56, Dec 2005

reasons behind the poor bargaining position of young workers in an individualised negotiating framework:

1. Young workers are unlikely to have more experience in workplace negotiation than their employer, or their employer's legal representatives, so it is unlikely that they will have superior bargaining ability.
2. Young workers are often looking for entry level positions, so it is much more difficult for them to differentiate themselves in terms of skills and experience from other applicants. It is therefore likely that employers will choose those applicants willing to accept inferior wages and conditions over other applicants.
3. Young people are more likely to be employed on a casual basis than older workers. Casual work has the potential to provide some individuals with an enhanced capacity to organize work and other elements of their life, However casual employees have less job security, benefit from less investment in training and have lower expectations about how they should be treated in the labour market.
4. Young people who have worked as casuals for many years before accepting a full time job are, therefore, less likely to demand the forms of conditions and job security that full-time employees have historically come to expect. Young people are also more likely to have a higher appetite for risk than other older workers. In relation to workplace conditions it is therefore likely that younger workers may prefer to forego insurance type benefits such as sick leave in exchange for higher pay. It is unlikely that once one demographic group opts to forego such benefits that other groups will be able to maintain them. Although while preferences may change over time, there are likely to be lasting and widespread consequences of one demographic group pursuing such preferences.

Some of the specific aspects of the WorkChoices legislation that concern NUS include:

- Workers employed by businesses with fewer than 100 staff lose the right to unfair dismissal protection. Typically students work in hospitality or service industries in businesses less than 100 staff. In fact the student casuals with less than 12 months service will often not be counted as employees for the purposes of determining the number of employees. Even those dismissed unlawfully, for example on racial or union membership grounds or because they won't sleep with the boss, could not afford the estimated \$30,000 to seek remedy through the courts.
- As students tend to be employed in casual and short-term work the protection of existing awards/collective agreements will not count for much. When they go for their next job they are more than likely to face an AWA that gets rid of existing work rights like weekend, shift and public holiday rates; overtime; redundancy pay and allowances. While the student has the right to not take that

job there is little choice for the students if such conditions become the new race-to-the-bottom benchmark in the area. The loss of penalty rates would have a major impact on the time students have to remaining to devote to their studies while still meeting their basic living expenses. Furthermore, if the pay and conditions become so poor in the areas where employers are following the law, the black market cash in hand operators will seem more attractive employers to many.

- Diminished union access and the increased obstacles to the right of employees to take industrial action are another area of concern. The legislation makes it harder for employees to ask unions to make workplace visits, talk to members and investigate problems. If a worker is covered by an AWA, unions will not be able to check that the agreement meets the minimum requirements. There are also the OH&S concerns with the employer being able to restrict what part of the workplace a union official can see or enter. While these problems impact on all workers the vulnerable position of student-workers means that in practice they are left with little rights except to resign and move on to the next exploitative employer.

NUS is also concerned that the sister legislation to WorkChoices (the Higher Education Workplace Relations Requirements Act) which is now being streamlined to conform with WorkChoices) will impact on quality of higher education. The NTEU's industrial strategy of pattern bargaining enabled universities across the whole higher education system to maintain competitive wages to be able to attract quality academic staff. The effective ban on pattern bargaining will widen the wage differentials across the system with the long term impact that quality education will be largely confined to several elite and wealthy institutions inaccessible to most students.