

Liquor, Hospitality & Miscellaneous Union

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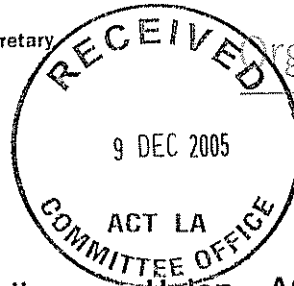
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organising for the future

The Liquor, Hospitality and Miscellaneous Union – ACT Branch (“LHMU”) thanks the Assembly for the opportunity to contribute to The Select Committee on Working Families in the Australian Capital Territory and make our submission in relation to the effect of the Workplace Relations Amendment (*WorkChoices*) Bill 2005 on families working in the A.C.T.

The LHMU fully supports the more detailed submission lodged by UnionsACT but seeks to address issues particularly pertinent to the large, and growing, service sector workforce. LHMU members represent the many different faces of today's labour market. LHMU members work in a diverse range of industries and occupations:

- cleaners clean offices, schools, hospitals and hotels,
- security officers guard properties and people,
- care workers attend the young, frail, aged, ill and disabled,
- hospitality workers operate across the leisure, entertainment and tourist sectors.

The LHMU is committed to every Australian worker being able to exercise freely and without undue effort their right to associate and to bargain collectively with their employer if they so wish. Further, the LHMU is committed to the pursuit of democratic union structures in the workplace as an appropriate means for workers to have genuine influence on the way their work is done and the circumstances under which it is done. For the purposes of this submission, we have assumed Committee members support these principles.

The LHMU is committed to the protection of the many thousands of low paid workers who are LHMU members. We also acknowledge that many thousands of non-members rely on, and have benefited from, the LHMU's work in maintaining minimum standards of wages and working conditions through the award system and in industry and enterprise bargaining.

We appreciate political and economic cycles from time to time affect the extent to which the LHMU can progress the interests of its members, particularly the low paid. As a responsible democratic organisation we have a particular concern for job security and for the protection of the dignity of workers in their work

environment. We are committed to combating discrimination of all kinds in the workplace and to the defence of workers who have been subjected to abuse of employer power.

Informed by these fundamental principles, we view with alarm the likely effect on ACT employees of the 'WorkChoices' legislative changes to the industrial relations system.

The ACT together with Victoria and the Northern Territory will feel the full impact of the legislation first.

The impact of the legislative changes will be felt most rapidly by families in those territories and states that are already covered by the federal employment law. We are unwillingly participants in an industrial and societal experiment in which collective bargaining with the Australian Industrial Relations Commission as the arbiter will be scrapped in favour of individual and "secret" contracts; and where offering employment conditional upon signing an individual agreement, perhaps on much less than current award entitlements, will be perfectly lawful.

Many workers do not feel they have enough knowledge about their current work entitlements or the confidence to competently negotiate with their employer, let alone having to do so on an individual basis. Even where they are sufficiently informed, most will not have the bargaining power to negotiate a fair outcome. Young workers, women and migrant workers engaged in such industries as covered by the LHMU rely on the resources of the Union to protect and enforce the safety net that Awards have historically provided for them.

The end result will be the lowering of wages and conditions, because these changes once again allow wages into competition. The resulting hardship for the individual will be passed on to their family and the community as a whole.

Those who already work low wages will be expected to work for less.

We appreciate the undertakings given by the ACT Government in relation to ACT public servants and we applaud the government's stance in this matter.

The largest sections of our membership however is employed in the private service sector and the changes to the industrial relations system are likely to impact upon them most heavily. They are already amongst the lowest paid people in the ACT community and will be further disadvantaged as a result of the planned changes.

Employer associations such as the Restaurants and Catering Association have already indicated their intention to employ this legislation to “reduce labour costs”, which is precisely the intent of the legislation.

The *WorkChoices* legislation gives them the tools to do so. The economic reality is that even those employers that do not wish to lower wages may be forced to do so in order to compete. We will see a further disparity between those well paid and highly skilled positions with the capacity to seek the best offer and the vast majority of workers those who do not have the same freedom to take up the best offer but must take what they can get.

Service sector areas among the hardest hit.

Employees who rely on penalties may have their wages reduced by up to 30%. Most employees in the cleaning industry work part-time evening shifts. Their take home pay includes a part-time penalty and a shift loading. These workers could lose up to 30% of their wages if forced on to an AWA. Aged care workers and hospitality workers, who are similarly reliant on penalty rates, will be similarly affected.

In addition to this the majority of our members, including those who work in childrens' services, are engaged by companies that employ less than one hundred employees. These workers and their families will experience the additional stress caused by the loss of the protections from unfair dismissal that the legislation previously provided them.

Ability of the Federal Laws to override ACT Workplace Standards

AWAs will override Awards, collective agreements and other employment law such as the ACT Public Holidays Act and the ACT Long Service Leave Act.

Rather than having a system of complementary legislation we will move to a system where the law supported by the ACT Government and its citizens will be overridden by the Federal Government. Other states have the ability to press this matter through the High Court but this is not an option for ACT families who could very well have these rights stripped away from them at employer whim or because their employer must, for reasons of commercial viability, follow in the wake of their competitors.

Under what is proposed some workers will retain recognized ACT public holidays but others will lose out. Some workers will have access to long service leave and portable long service leave and others, even those working in the same industry, will not. The choice, despite the propaganda put out by the Federal Government, will lie with the employer. The effect will be felt by ACT families who will be further deprived of time together on public holidays or on leave.

Contracting Industries.

The LHMU covers contract cleaning, catering and security; over 6000 ACT employees are currently engaged in this work. The threats to workers in these areas are twofold. Tendering processes produce a high level of competition with the major cost in competition being wages and conditions. This companies that are prepared to lower labour costs by reducing wages and conditions will enjoy a commercial advantage by being able to undercut their competitors. Each time a contract changes the employees performing the work find themselves out of a job and faced with a situation of finding employment with the incoming contractor or elsewhere. Each time this happens their wages and conditions can be driven downwards.

Our members would appreciate the opportunity to appear before the Committee in the New Year to speak to this submission and to provide further submissions.

A handwritten signature in black ink, consisting of a large, stylized initial 'G' followed by a series of connected loops and a wavy line extending to the right.

Gil Anderson,
Secretary ACT Branch,
Liquor Hospitality and Miscellaneous Union.