

WHAT'S IMPORTANT TO YOUTH?

A RESPONSE FROM THE YOUNG WORKERS CENTRE



ABOUT US

The Young Workers Centre educates young workers about their safety and workplace rights, and empowers them to resolve issues in the workplace.

Based in Victorian Trades Hall, we educate young people as they enter the workforce via our training programs, which are available to all Victorian high schools, TAFEs and technical colleges. We assist young people to resolve workplace issues through our legal service designed exclusively for young workers. We empower young people to use their collective voice by driving campaigns on key issues for young people at work.

OUR VISION

Our vision is for a state in which young people are safe at work, free from harassment or bullying, and are provided their full legal entitlements: a fair day's pay for a fair day's work. For this vision to be realised, we must encourage young people to speak up without fear of discrimination or retribution.

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YOUTH POLICY DRAFT VISION AND OBJECTIVES

We commend the Victorian Government for its focus on young Victorians. Encouraging young people to contribute to the development of youth policies will empower young people and will ultimately result in better policies for young Victorians.

We support improved opportunities for young people to actively participate in their communities, to thrive in their educational environments and to contribute to their workplaces.

We support the removal of barriers including discrimination based on age, gender identification, race, sexuality or other characteristics.

We do however, believe the language used when talking about young people puts an onus on young people to individually forge their own paths in order to “realise their potential”. We believe it is our collective responsibility – governments, employers, education providers and the wider community – to mentor and support young people to achieve their potential.

RECOMMENDATION 1

We recommend the language used in the Youth Policy acknowledges that there are structural barriers, institutions and external influences that must be addressed for those young people to realise their potential.

IMPROVING EMPLOYMENT OPPORTUNITIES FOR YOUNG PEOPLE

We welcome the Victorian Government's recognition of the different factors affecting young people such as education and training, drug and alcohol issues and housing. The Young Workers Centre serves to provide a voice for young people at work, and as such we will address the issue of employment opportunities for young people.

DECENT JOBS

Decent employment opportunities are vital for the future of our state. We need to provide young people with opportunities to gain skills and experience in the workforce, and make sure no young Victorian is left behind.

However when we talk about jobs for young people, we must also talk about the quality of those jobs. We need to have a conversation about how we make sure that jobs are decent and secure. Decent work is central to developing identity, preventing homelessness and avoiding the correction system. More than 60% of young people rate job security as very important, yet jobs for young workers are becoming more insecure¹. We must also ensure that young people are paid in line with the minimum wage or relevant industrial instrument, and that they are trained and supported in their work.

We urge the Victorian Government to acknowledge and support the following issues in its Youth Policy:

- Improved job security
- Compliance with minimum employment standards
- Safe workplaces free of injury

RECOMMENDATION 2

We recommend the Youth Policy addresses not only access to employment opportunities but also the quality of jobs for young people and the way they are treated at work.

WHERE ARE THE ENTRY-LEVEL JOBS?

"Young people ... often find themselves trapped in a 'Catch 22' situation in which they are unable to acquire work experience because they cannot find a first job, and cannot find a job because they do not have work experience" - International Labour Organisation

As entry-level jobs decrease due to automation², young people struggle to get work without proven skills and experience. The jobs previous generations have relied on to get a start in the world of work are quickly disappearing. Automated checkouts have replaced retail jobs². Opportunities for administration and manual labour work are shrinking¹. This creates more competition for the few entry-level jobs available with those who miss out becoming at risk of entering a cycle of unemployment or low or unskilled work.

¹ Foundation of Young Australians (2015). *The New Work Order*. <http://www.fya.org.au/wp-content/uploads/2015/08/fya-future-of-work-report-final-lr.pdf>

² Committee for Economic Development of Australia (2015). *Australia's Future Workforce?* <http://www.ceda.com.au/research-and-policy/policy-priorities/workforce>

Training for new jobs

The changing nature of work requires the government, employers and education providers to support, train and mentor young people into those new or evolving jobs. Training should include both formal (where applicable) and informal on-the-job training to develop young people's skills and experience. We support the Victorian Government's initiatives to increase TAFE funding and to establish Tech Schools to meet this demand.

"The problem of youth unemployment is concentrated among the most disadvantaged who have little skills or work experience" - Committee for Economic Development of Australia

Recognising the value of entry level work

We must also recognise that our society and economy are built on the work of many entry-level jobs in industries such as hospitality and retail. A large number of these jobs are performed by young people on minimum wage, who rely on basic entitlements such as penalty rates to support themselves while studying. These jobs and the people who work in them remain essential despite changes to the nature of work.

UNPAID INTERNSHIPS: PROVIDING OPPORTUNITIES TO WORK FOR FREE

The supply of decent entry-level jobs has been reduced further with many employers choosing to forgo providing entry-level jobs in favour of offering unpaid internships. Young people are now commonly expected to "get their foot in the door" by completing unpaid internships. Such internships are often simply unpaid work, whereby the employer profits from the young person's free labour, while maintaining intellectual property rights over work completed and avoiding health and safety responsibilities³. Employers in competitive industries can and do now structure business models around exploiting a constant rotation of unpaid "interns"³.

This normalisation of unpaid work increases levels of inequality in our society, as entry into the job market is restricted to those who can afford to work for free. Those young people who can afford to work for free may succeed in obtaining paid work, while those who cannot remain either unemployed or unable to progress in the workforce. In some instances young people are completing multiple unpaid internships without advancement⁴. The rise of unpaid internships as the stepping-stone to employment particularly hinders those groups of young people already challenged and marginalised.

In order to stem this issue there must be greater regulation of unpaid work. Government must lead by example by ensuring its own employment and internship opportunities comply with relevant legislation. They must also ensure organisations that are awarded government contracts do the same by regulation through government procurement standards. Finally, the government can use their voice to insist employers fairly and lawfully treat their employees.

RECOMMENDATION 3

We recommend the Victorian Government and its Youth Policy supports pathways to employment that are fair, safe and free of exploitation.

³ Ma, W. (2015, February 3). Unpaid internships could be a thing of the past. *News.com.au*. Retrieved from <http://www.news.com.au/finance/work/unpaid-internships-could-be-a-thing-of-the-past/story-fnkgbb6w-1227205291252>

⁴ Brennan, B. (2015, June 18). Businesses capitalising on oversupply of graduates by offering students dodgy unpaid internships. *ABC News*. Retrieved from <http://www.abc.net.au/news/2015-06-17/businesses-offering-dodgy-unpaid-internships-to-graduates/6554166>

THE CASH ECONOMY

The issue of black market jobs is another way young workers' employment opportunities are becoming increasingly insecure. Research has found that almost 1 in 4 of people between 18-30 years old are working insecure, black-market jobs. These workers are significantly **less likely to receive their basic rights at work and are less informed about their legal rights**⁵.

Such work arrangements are bad for workers and bad for the economy. Almost 60% of cash-in-hand workers don't receive **penalty rates** for working on weekends or working unsocial hours. Almost 50% do not receive **superannuation**, as compared to 90% who receive it for regular, legal employment⁶. Cash in hand arrangements also have tax implications that negatively affect the economy. It is estimated that losses due to underreporting of income and corporate taxes and the GST total at least \$5 billion in revenue each year as a result of cash-in-hand work⁶. This should particularly concern state government given the impact of lower GST revenue collected.

"Cash-in-hand work is likely costing Commonwealth and State government at least \$5 billion per year." - The Australia Institute

EXPLOITATION OF OVERSEAS WORKERS

The discussion paper correctly identifies international students as a particular group facing challenges. However when considering the issue of worker exploitation, young overseas workers on temporary work visas should also be included in this grouping. Recent Fairfax and Four Corners investigations have uncovered hundreds of thousands of young workers being exploited on low wages across the economy, in food courts, cafes, factories, building sites, farms, hairdressers and retail. Their investigations have shown overseas workers such as international students and backpackers are targeted, with 80 per cent of foreign language advertisements offering wages as low as \$8 per hour, well below the legal minimum of \$17.29. Workers on temporary visas are targeted due to their vulnerability. One foreign worker attributes the problem to poor English skills, a lack of local knowledge, and a fear that speaking out would result in them being forced out of Australia⁷.

RECOMMENDATION 4

We recommend the Youth Policy acknowledge that the issues facing young international students are often also faced by young overseas workers on temporary work visas.

⁵ Essential Media Communications (2012). *Cash in Hand Research*. <http://www.actu.org.au/media/111161/Cash-in-hand%20research-Sept%202012.pdf>

⁶ The Australia Institute (2012). *Cash-in-hand means less cash for states*. <http://www.tai.org.au/node/1901>

⁷ Schneiders, B & Millar, R. (2015, October 1). 'Black jobs': Rampant exploitation of foreign workers in Australia revealed. *The Age*. Retrieved from <http://www.theage.com.au/national/investigations/black-jobs-rampant-exploitation-of-foreign-workers-in-australia-revealed-20150930-gjxz7q.html>

CONCLUSIONS AND RECOMMENDATIONS

We support the Victorian Government's focus on improving opportunities for young people to participate in education, training and employment, and to feel a sense of belonging and safety in society. Our working lives are central to our identity and help us forge character. For young people it is critical to have the opportunity to engage with decent, secure work from the moment they enter the workforce. Decent, secure employment is fundamental to preventing homelessness, avoiding the correction system. It is therefore essential to setting up young people for a decent life, and reducing inequality in our broader society.

WE RECOMMEND THE VICTORIAN GOVERNMENT YOUTH POLICY

1. Adopts language that acknowledges the structural barriers that affect young people, and which cannot be overcome by young people individually. The onus of responsibility must be shared by governments, employers, education providers and the community, and the language of the policy must reflect this collective responsibility.
2. Addresses the quality of jobs for young people and the way they are treated at work. These must be included in the discussion about employment.
3. Supports pathways to employment that are fair, safe and free of exploitation.
4. Acknowledges that the issues facing young international students are often also faced by young overseas workers on temporary work visas.

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