



11 December 2017

Justice Hatcher
Fair Work Commission
Supported Employment Services Award
Ref **AM2014/286**

South Coast Labour Council
Fred Moore House
Lowden Square
Wollongong NSW 2500
All correspondence to:
The Secretary

Dear Justice Hatcher,

I make this submission on behalf of the South Coast Labour Council (SCLC), the peak union body on the South Coast of NSW representing 25 affiliated Trade Unions and over 50,000 members and covering a region from Helensburgh, south of Sydney to the Victorian border. The SCLC has been a key industrial stakeholder on the South Coast since its inception in 1928. I write to convey two things to the Commission in relation to this matter.

The first is to submit that the SCLC endorses the submission of our affiliate, the AWU, and to advise we share their concerns regarding changes proposed by AED Legal and others to the method for wage assessment. In doing so we also agree with the AWU's arguments supporting this position and so will not repeat them here.

The second is to note the additional barriers to employment in regional labour markets and how they may compound the difficulties facing workers who are currently employed in supported employment enterprises. In this respect I will refer to the Illawarra and South Coast of NSW as an example of a regional labour market and the context in which supported employment organisations operate, the limited opportunities available to otherwise supported employees and the risks they face. In relation to this we make the following points and observations.

1. The labour markets of the Illawarra and South Coast have been significantly affected by industrial restructuring over the past 35 years which has driven consistently higher unemployment levels than the national average resulting in a range of structural distortions including higher levels of:
 - Intergenerational unemployment
 - Youth unemployment
 - Long term unemployment
2. The industries that have led this decline have been the so-called 'blue collar' sectors including in steel, manufacturing and textile, clothing and footwear.
3. As late as June 2017, the Shoalhaven, for example, was recording youth unemployment rates of over 28%.
(see labour force statistics <http://economy.id.com.au/shoalhaven/unemployment>)
4. Recent exposes by the SCLC and Fairfax Media have highlighted just how tight the youth labour market has become and the exploitation of young University students working for as low \$5 an hour in the Wollongong CBD. Over 80 businesses within the CBD have since been raided by the FWO in relation to these concerns.

The point we make here is that a change in the method of wage assessment for workers in Supported Employment Enterprises in these regions will do absolutely nothing to improve their chances of finding, much less retaining, work in the 'open market'. Conversely, if these existing Supported Employment Enterprises were to fail as a result of these changes the only conceivable outcome of an output based assessment model would be the loss of hundreds if not thousands of jobs and the economic and social costs for these workers and their families and carers including impacts which are not readily quantifiable in monetary terms as many have already submitted.

The supported Employment Enterprises in the Illawarra including Greenacres and Flagstaff were formed in large part, to offer opportunities to workers whose exclusion from the labour market and participation in society transcended the boom and bust of the economic cycle. The open market did not place an economic value on social objectives then and will not do so now. To change the method of wage assessment to one based on output is to defeat the purpose of assisting these workers in the first place. The market has failed them – why would you impose market driven metrics when these arrangements have led to the exclusion of these workers from the limited job opportunities currently available?

In essence, the flaw in the arguments for a change in assessment along the lines of a productive output model, as well intentioned as they may be, lies in their attempt to drive square pegs into round holes. The proof of this lies in the low levels of workers with these barriers and disabilities in general employment.

We submit that the most equitable, effective and inclusive approach to this question is to view the employment remuneration in Supported Employment Enterprises and the support payments received from the State by these workers and their carers as forming a 'Social Wage' as we once understood it. Let's not forget that Medicare and Superannuation were non wage components as well. Further, and given it's unique and clearly defined application there is no risk of this arrangement flowing on to other instruments and the general workforce as there are no new principles with the status quo or similar arrangement. The same cannot be said of the principles underlying the individual 'output' based models advocated in some submissions.

Finally, I note that in my 22 years as a Union official and previously as an officer with the Department of Employment Education and Training, I have never received or been notified of a complaint from either an employee in supported employment enterprises or their carers in relation to their remuneration levels or method of assessment.

Thank you for considering our submission.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Arthur Rorris', with a long horizontal flourish underneath.

Arthur Rorris
Secretary
Mob 0409 223 029