

Mr DEPUTY SPEAKER - The honourable member for Denison, Mrs Holmes.

Members - Hear, hear.

Mrs HOLMES (Denison) - First of all I would like to congratulate the Premier on his initiative in the development of the Tasmanian Employment Program. Although not an answer to unemployment, this job creation scheme goes further than other short-term ones to assist the unemployed. The obvious objective of job creation schemes is to increase employment or, conversely, to reduce unemployment. A further objective is to improve the income or welfare status of participants, those who have been long-term unemployed. By providing employment and thereby wages it improves living standards.

However the most important objective, I believe, is to improve long-term employment prospects of participants through developing their job skills and broadening their work experience. Even though many argue that job creation schemes are usually temporary, if the scheme is effective in improving work skills it will enhance the participants' long-term employability.

However job creation schemes by themselves will never solve unemployment, poverty, labour immobility or low economic growth. They can and do provide a marginal, although potentially significant, contribution to the alleviation of these problems.

As we know, unemployment in Tasmania is too high. I believe there are three main age areas of concern in unemployment: those in their later years reaching towards retirement; those in their forties - because many employers ask for someone between 25 and 35 years of age and disregard the skills of others; but more importantly, I believe, our major area of concern is for our young because our young are our future.

Teenage unemployment in Tasmania over the past three years shows: in August 1982, 34 per cent unemployed; in August 1983, 32.4 per cent unemployed; and in August 1984, 28.4 per cent unemployed. These Australian Bureau of Statistics labour force survey figures show that the Gray Liberal Government has been working towards solving this problem.

However when 4 900 teenagers are currently unemployed in Tasmania, are we all doing enough? This is a problem which should be borne by society, not only governments. Government policies regarding education as well as specific programs like school-to-work transition will, of course, affect school leavers' suitability for absorption into the labour force. However before unemployment falls there must be a substantial rise in the number of jobs in the economy. Before that takes place the business sector would have to believe that there will be a sustained growth in the demand for goods and services. Consumers would then gain confidence to spend rather than save for a rainy day. But neither condition will occur without the other. Businesses will not create new jobs until consumer demand rises, but consumer demand will not rise until more people have jobs and therefore more income.

This Government is continually trying to build the confidence of the people of Tasmania by advising them of its sound management of the economy of Tasmania and by reducing the deficit from \$34.4 million to \$1.9 million a truly great job. We also have what even the media describes as a sound budget for 1984-85.

On the other hand, we have the Opposition saying the Budget is no good to Tasmania, the economy is in a mess and, of course, the Government is to blame. Is that conducive to maintaining a high level of business and consumer confidence? Let us all work together, not against one another, for the betterment of Tasmania.

Much has been written and researched on teenage unemployment but I would like to share one of my personal experiences relating to unemployed teenagers. A job is advertised, say, for a junior office assistant. The newspaper says the age required is 16 to 18 years. One hundred and fifty to two hundred young hopefuls in that age group apply, plus many more above the age, with no previous experience. Any one of them could fill the job, but who is best for the job? The employer asks for basics in spelling and

mathematics but many have dropped these subjects and taken on more interesting or less job-related ones, so that cuts the numbers down. The employer asks for communication skills, which also drops the numbers down. The employer asks for a number of other criteria which also drops the numbers down, and finally we come down to three. One is 16, one is 17 and one is 18. The employer needs to choose. Which one will he choose? Whether he is in the private or the public sector he has a salary budget to abide by, so the job goes to the 16-year-old, all things being equal. They all have the same level of inexperience, they are all either still at school or have just left school but have not worked. So why does the 16-year-old get the job? The 16-year-old earns \$123 per week, 54 per cent of the adult wage; the 17-year-old earns \$135.80, 59 per cent of the adult wage; and the poor 18-year-old earns \$166.50 per week, 73 per cent of the adult wage.

Did members know that an unemployed, inexperienced 19-year-old junior would demand \$197.30 per week, 86 per cent of the adult wage and that the retail trade award provides that the maximum number of juniors to be employed may not exceed the ratio of one junior to every one adult? This is ridiculous! In most cases a junior cannot undertake the responsibilities that go with an 'adult' job.

It has become much easier and more practical for employers to employ adults and pay them an appropriate wage rather than train juniors. It is not a junior's right to work - he must earn that and to earn it he must train and be paid an appropriate wage for training. We hear of instances where the services of employees are terminated on their attaining 18 years of age. Again, companies work to a salary budget and I understand that, where specific problem cases have been referred to the Department of Labour and Industry, the answers given by employers have usually been along the lines that the work involved was of a kind suitable for a 'junior' or a young person and it was inappropriate to continue the person's employment as an adult, or that while the employer could afford the services of a junior it was uneconomic to continue the person's employment at adult pay rates or at rates provided for 18- to 20-year-olds.

In this context it is worthwhile considering the provisions governing the employment of juniors in some State awards. The retail trades award provides for an increase to 59 per cent of the adult rate at age 17; to 73 per cent at age 18; and to 86 per cent at age 19. This award also provides that the maximum number of juniors employed may not exceed the ratio of one junior to every adult.

The hotel and motel keepers award provides payment at 80 per cent of the adult rate at 18 years; 90 per cent at age 19; and 100 per cent at age 20. Juniors in certain employment areas - for example, counter sales - are paid at full adult rate. The agriculturists award provides an increase from 60 per cent to 80 per cent of the adult wage at 18 years with full adult rates at age 19. The electrical engineers award provides that unapprenticed juniors may only be employed 'sweeping and cleaning, running errands or unpacking goods' and that no junior workers may be employed on a construction site.

The building trades award provides that the proportion of unapprenticed juniors to tradesmen in workshops may not exceed one to six. Unapprenticed juniors may only be employed 'running messages, sweeping and cleaning', otherwise they must be paid full adult rates.

Thus there are some inbuilt inhibitions - from the points of view of cost and the classes of work which may be performed - on the employment, or continued employment, of juniors in many areas of employment.

The history of Australian arbitration reveals four criteria evident in decisions pertaining to junior wage determination: work value; the 'needs' principle; the capacity to pay; and the 'allocative' principle. Also the fair and just argument has been used in regard to junior wage fixation. Chief Justice Dethridge commented:

'Rates for juniors should be high enough to maintain them but not high enough for extravagance ... The rates must have some relation to the probable cost of living, and therefore, to the amount of the basic wage. The most advanced junior has not, as a rule, any family responsibilities, and his rate should be materially less than the basic wage.'

However the precise quantity and nature of junior needs have never been formally assessed, either in absolute terms or relative to those of adults. In effect there has been an ad hoc element of arbitrariness and inconsistencies of evaluation, which has never been rectified. Therefore, in Federal and State awards, junior rates are usually set out as a percentage of some central adult rate within the award, based on the junior's age rather than level of work experience and, in consequence, work value.

Let me digress for one moment and talk about the total cost of labour which, of course, affects all levels of the employed labour force. Wage costs in 1983 due to the wages pause grew by only 3.3 per cent. However labour on-costs, although slowing in 1982 from an extremely rapid rate of increase, were magnified by more than 14 per cent in 1983. Ten years ago on-costs were equivalent to about 30 per cent of direct wage costs. By 1983 the figure was more than 50 per cent. In other words, on-costs now represent more than one-third of the total hourly cost of labour and are continuing to grow.

The largest increases in on-cost items were in long service leave payments, safety costs, employee amenities, public holidays, compassionate leave, leave loadings, company contributions to employee superannuation schemes, workers compensation insurance and payroll tax. And now, to add to that list, and as yet unaccounted for in the previously noted on-costs, is the Australian Council of Trade Unions job protection and compulsory redundancy payments decision, handed down recently by the full bench of the Arbitration Commission. Again these on-costs are a disincentive for employment. On a rough estimate leave loadings cost Tasmanian employers \$36 million per annum out of a total wage bill of \$2.7 billion per annum.

One Tasmanian retailer - again, Tasmanian-based - with 80 staff pays \$15 600 annual leave loading per annum. If his employees decided to forgo that particular loading for one year, he would guarantee to employ three more juniors on his staff for that year. Leave loading is one of the most ridiculous on-costs that has been added to employees' annual wages. An additional 17.5 per cent is added to an employee's wages whilst he is not working. Only in Australia can we be paid extra for not working.

In essence I am advocating, and asking the support of this House for, a more flexible wage system for the employment of all, rather than the current rigid system under which we operate. I make particular note of our disadvantaged unemployed teenagers, and I go back to the fact that there are 4 900 of them in Tasmania. That is very little different from the national statistic. I do not advocate a reduction in junior wages, but the present system is now disadvantaging these same juniors from gaining a higher percentage of employment. I ask that consideration be given to junior wages being calculated not by their age in years, as at present, but that they be paid by the years of experience, as is currently the procedure with the adult wage rate - for example, first year, second year and third year of experience. In other words, the junior rate should be determined by the percentage of work experience as against the adult rate. Returning to the previously mentioned school leavers of 16, 17 and 18 years of age, the 18-year-olds should not be disadvantaged in their job search by a 16-year-old, simply because of the rate of pay because they both have the same level of inexperience - they are both school leavers.

Mr Fraser, Mr Hawke and many others have advocated the retention of students in the Australian education system. Before that idea can gain momentum effectively, a change in the wage system for juniors must take place concurrently.

Mr Speaker and members, our young are our future. They may not cry as loudly or as long as other articulate groups. I ask you to support any actions that will improve their prospects towards the dignity of life. I would like to summarise a few points pertinent to our young: first, we should ensure a flexible and regularly reviewable

wage system is implemented. Career advisers within the educational system should receive adequate training to fulfil their required responsibility and role of providing updated and pertinent advice to students and they should regularly be seconded to industry so that they know what is really required.

Secondly, we should improve the retention rate of pupils in the education system by increasing the minimum school-leaving age to at least 17 years - and I would prefer 18. More importantly, if students should drop out of education the unemployed youth should be given options for post-secondary school education - TAFE or technical education - or community service. No youngster should be forced to accept one alternative or the other, but the State should not be obliged to pay unemployment benefits to those who do not make a selection. All forms of training should aim at the development of tomorrow's functional skills. Educational programs should provide practical skills and talents. Community service could permit the apprenticing of young men and women to local government, hospitals and so forth. When these youngsters then enter the labour force they will be better fitted for today's world of work than many of us already there.

Thirdly, work experience schemes - currently providing for one week's practical experience in areas of employment - are very good and should be retained. However we could use work experience schemes just a little further. For instance, in Victoria there are private secretarial colleges where youngsters work for three months in an employment area and three months in a training area. If that particular scheme were given a little more thought we could perhaps improve the skills of our juniors.

I would also ask the Government to give consideration to the establishment of a management secretariat to be attached to the Tasmanian Development Authority. I have already spoken about this matter with Mr Philip Chandler and he sees some value in this. The role of the secretariat would be to seek out skilled yet unemployed people, assess their work and business skills and assist them to develop a potentially profitable business cooperative. The secretariat would provide entrepreneurial business management and marketing advice, plus financial guarantees until the newly developed business was viable.

These unemployed are good and skilful people in their own areas, but they lack management and accounting skills and perhaps - if I did not mention it - they are currently unemployed and unknown to one another. For instance, I know of a builder, a bricklayer and an electrician and I am sure there are other relative tradespeople. I also note - and one of the previous speakers mentioned this - the lack of rental accommodation in the Hobart metropolitan area. There is also a housing shortage in the lower to intermediate price range. May I suggest the secretariat could coordinate the management of future business enterprise: act as guarantor for the financing of the purchase of a block of land, and the supplementary finance for the building of a home for sale or for renovating a home. Out of the profits of the sale, repayments of finance would be made and a proportional management fee would be paid to the TDA. Regular management meetings, profit and loss reporting and market investigation would naturally be an integral requirement until the structured group was ready to take the reins by itself. I am sure initiatives can be instigated in other areas with skilled unemployed people because there are so many skilled people out there whose full potential is not being utilised because they do not have a skill in another area.

I will return to the Budget. I am confident the people of Tasmania recognise the sound fiscal policies and the overall management principles behind its planning. I support this Budget and its content because all should be investing in the future of Tasmania.

Government members - Hear, hear.