

## 14 Other Considerations

### *Work Intensification*

[14.1] The ACTU cites<sup>82</sup> an intensity of work effort in support of its application. This is not a consideration that is relevant to the Full Bench’s determination of this matter. The Full Bench should disregard this contention from the ACTU, on the basis that:

- a. There are well established avenues under the wage fixing principles to address wage claims based on changes in work value.
- b. The intensity of work is not one of the specific considerations the AIRC is to direct its attention to in the discharge of its minimum wage fixing function under the *Workplace Relations Act 1996*.
- c. To sustain such a claim, the ACTU would need to bring forward evidence on an award, industry or workplace level that work had intensified, and would then need to demonstrate that the Commission should validly extrapolate from this to some general trend across the labour force more generally. Even then this would be doubtful.

[14.2] This has not been done. The Commission should disregard these ACTU contentions as not of assistance in determining this matter.

### *Relevance of the Informal Sector*

[14.3] The ACTU appears to have misunderstood the meaning of the term “informal sector” in paragraph A.30 of Appendix A to its written submission.

[14.4] The World Bank defines the Informal Sector/Informal Economy as follows:

<sup>82</sup> (C2001/5719 and ors) ACTU Written Submission, 8 February 2002, [6.3], p.114, [6.9-6.14], PP.117-118.

*The easiest definition of the informal economy is based on a description of the location within which actors operate. Four categories of actors are identified:*

*(1) Home based workers<sup>83</sup> - Dependent home-base workers have the following characteristics:*

- *they work at home outside the establishment that buys their products;*
- *they agree by prior arrangement to supply goods or services to a particular enterprise;*
- *their remuneration consists of the prices paid for their products*
- *they do not employ workers on a regular basis.*

*Independent home-based workers are those who work in their home and deliver their products or services to any prospective buyer. Their characteristics are those of the self-employed and are classified as part of the group "own-account workers".*

*(2) Street traders and street vendors*

*(3) Itinerant or seasonal or temporary job workers on building sites or road works*

*(4) Those in between the streets and home, e.g., waste collectors*

[14.5] A more technical definition was applied by the XVth International Conference of Labor Statisticians.

*The informal sector comprises units in the household sector, as defined by the System of National Accounts (SNA), and which, are unincorporated enterprises or do not hold a complete set of accounts, including:*

- *units -- registered or not -- without permanent employees,*
- *units with permanent employees and which are, alternatively simultaneously unregistered units, or units which do not register their permanent employees, or units which employ, on a continuous basis, less than a given number of persons, according to the legislative codes (fiscal or social) or to the practices of survey statisticians when they design the scope and coverage of enterprises surveys.*

[14.6] ‘As broadly defined, the international concept distinguishes between two sub-categories of informal sector units:

*"family enterprises" comprised of independent or own-account owners, family workers, apprentices and casual workers, and with no permanent employees; and*

<sup>83</sup> See Ferran, Lourdes. (undated). Notes on Concepts and Classifications to Improve Statistics on Home-Based Workers. Downloaded from WIEGO Website <http://www.wiego.org>

*"micro-enterprises" comprised of units with less than 5 to 10 employees (or jobs), or which do not register them, or which are not registered as enterprises.<sup>84</sup>*

[14.7] Australia does not have a significant informal sector as this term is generally understood internationally, and to the extent that one does exist, it does not appear particularly relevant to the matter at hand.

[14.8] In Australia, many of those persons who may fall within the informal sector in other countries (e.g. outworkers, road workers, and street vendors) enjoy minimum wage and condition protection through common rule awards or other minimum wage and condition arrangements. Whatever informal employment does exist within Australia certainly does not generally extend to managers and professionals as suggested in paragraph A.30 of the ACTU written submission.

<sup>84</sup> See Charmes, J (1998). Street Vendors in Africa: Data & Methods. Available at: <http://www.wiego.org/papers/2vendor.html>