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**SUBMISSION TO**  
**STANDING COMMITTEE ON EMPLOYMENT AND**  
**WORKPLACE RELATIONS**

*Pay equity and associated issues related to increasing  
female participation in the workforce*

By



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# INTRODUCTION

## Our Business

This year we are celebrating the 75<sup>th</sup> anniversary of the Northern Co-operative Meat Company Ltd.

The co-operative was formed at the height of the depression years and has been a significant part of the Northern Rivers Region community. Based in Casino NSW the co-operative has over 1500 members and approximately 1000 employees. To put this in perspective Casino has a population of approximately 10,000 people.

It is important to point out that the co-operative operates an export food processing plant which only processes livestock owned by its members and operators on a fee for service basis. As a service provider our business depends wholly on the competency, experience and dedication of our employees.

Today we are facing a number of challenges that have the potential to seriously threaten the survival of the Northern Co-operative Meat Company:

### 1. Energy resources

The cost of energy as a business input is likely to escalate out of control partially because of rising world wide demand for energy and partially because of global warming. Energy costs that impact on the co-operative range from the direct use of energy in the production processes to transport costs involved in livestock and meat product transport costs.

### 2. Water resources

It is reasonable to assume that the value of water will escalate beyond our wildest imagination. The water issue by itself has the potential to seriously threaten the viability of our business,

### 3. Human resources

We are already experiencing problems with the availability of skilled labour both in terms of quantity and the rising cost of skilled labour. Unfortunately it seems that the co-operative is clearly not seen as an 'employer of choice' by many potential applicants. One important reason for this is the fact that the image many people have of abattoirs is it is perceived by as an

unsavoury employment. Please note that this point is even more pertinent in the case of women.

#### **4. Global market place**

Competitive forces created by the global market place and the concentration in the meat retailing market to fewer but larger players are squeezing our operating margins to the narrowest figures. In fact it is entirely likely that a number of Australian meat processors may not survive the current pressures. We welcome *fair* competition and regard it to be as healthy to the business as regular exercise is to the human body. *Unfair* competition is an entirely different matter, because it is difficult to compete in the global marketplace when the competition:

- pays rates of pay that are substantially lower than Australian meat processors (bearing in mind our industry is a labour intensive industry);

- Regulatory and Government charges are far lower for example, pay role tax, fires services levies etc

- does not pay for benefits Australian workers take for granted such as sick leave, holiday pay, long service leave, workers' compensation, superannuation, and so on;

- does not need to commit to occupational health and safety; and
- does not need to commit to carbon footprint reductions nor other environmental protection matters.

#### **The Values that Drive our Business**

Being a co-operative the focus of our business is not on share values and dividends. We are driven by the need to satisfy the needs of our stakeholders which include our members, livestock owners and operators, our employees, and the local community in general.

The Northern Co-operative Meat Company (NMC) requires safe and effective working relationships at all levels in the company. We respect different cultures and we share common goals with our employees in particular the elimination of workplace injuries, equal opportunity and the environment and we are committed to good corporate values and ethical behaviour.

NMC employs on the basis of job requirements and does not discriminate on grounds of age, ethnic or social origin, gender, sexual orientation, politics or religion.

Being trained to work, and then working, in safe, healthy and environmentally responsible ways comes first and foremost. Beyond that, NCMC believes in enabling employees to develop to the extent of their abilities. We improve our skills and competencies by regular performance reviews, recognising potential, undertaking education, training and coaching as appropriate, and offering development opportunities within the Co-operative.

NCMC expects managers to be models of the highest standards of behaviour. We treat each other and those we deal with externally with dignity, fairness and respect. We guard against harassment in the workplace and will neither abuse nor miss-use our positions or facilities for personal purposes.

We work together within and across business units and departments to raise performance. NCMC's code of conduct establishes sound conditions of work and disciplinary procedures. The Co-operative implements equitable and transparent remuneration and incentive systems. NCMC recognises everyone's right to choose whether or not they wish to belong to a union. We live up to the letter and spirit of meeting the challenges of the future and our code of conduct.

### **Our efforts are recognised**

The co-operative is regularly audited and reviewed by external parties and our efforts to implement our goals and objectives are consistently well regarded by external parties. For example:

- We have received positive feedback from EOWA in response to our annual reports to EOWA.

- We have passed all social accountability audits conducted by external parties

- We have passed all external management system audits conducted by WorkCover NSW, AQIS, and a range of overseas agencies.

# OUR VIEWS REGARDING PAY EQUITY ISSUES AND FEMALE PARTICIPATION IN THE WORKFORCE

## PAY EQUITY

### 1. Pay Equity at NCMC

The co-operative has a long history of working with the trade unions in delivering employment outcomes that are positive to both the co-operative and the employees. Our employment conditions are governed by Enterprise Agreements (EA) that are developed in consultation with our employees and the unions representing our employees.

There is only one thing that determines the rate of pay any employee receives: the terms and conditions of the EA. The rate of pay is a function of the task carried out and the classification of the employee performing that task. The classification of an employee is determined by the competency and performance of the employee and **nothing else**. Ipso facto a female is paid the exact same money as a male employee performing the same work.

### 2. Competency

It follows from the previous point that since competency is a key determining factor with regards to employee classification our training and development program must provide equal opportunity in this area. The co-operative can readily demonstrate the fact that all employees have equal access to training opportunities which also forms part of the agreement we have with our employees as documented in our EA. We especially make sure training opportunities are available for three groups of employee that need strong support:

- School leavers entering the workforce
- Females
- Indigenous community

### 3. Paid Maternity Leave

Bearing in mind that payroll costs represent the largest operating cost of our business (over 70%) any movement in payroll costs that cannot be recovered via increased productivity or increased charges to our customers will increase the risk to the long term survival of the business.

Maternity leave alone would not threaten the survival of the business, but when added to our other cost pressures it could become another nail in the coffin. The co-operative believes that the interests of 1500 members and 1000 employees are far more important than the interests of those who would benefit from paid maternity leave.

The introduction of paid maternity leave could be funded in ways other than employer funding, for example:

Government Funding	This would be a matter for taxpayers to consider
Self Funding by beneficiaries	Could be achieved by accumulation of credits paid for by the beneficiary prior to leave being taken. Perhaps by way of salary sacrifice?
All employees subsidising the scheme by accepting smaller pay increases (based on 10 paid maternity leave events this would amount to approximately \$100 per annum).	We are reasonably confident that the overwhelming majority of employees would reject such a proposal

## **FEMALE PARTICIPATION IN THE WORKFORCE**

It is possible to identify a number of potential or actual barriers to female employment.

### **1. Physical Suitability**

The overwhelming number of jobs available at meat processing plants involves manual handling. In some cases this may involve significant manual handling. This acts as a barrier to all people when there are doubts about their physical fitness. We reject employment application from both male and female applicant when the medical assessment determines that the risk of injury is simply too great for the position task applied for.

At NCMC we have invested heavily over the years in engineering solutions to eliminate or reduce manual handling risk exposures. This has enabled us to employ women into positions where not long ago we would have been unable to do so.

## **2. Job Rotation and Alternative Duties**

Closely aligned to the previous item is the issue of job rotation. Job Rotation is a critical manual handling risk control used by NCMC to prevent manual handling injuries to people because they may have been required to perform high risk duties continuously.

If we employ a person into a particular position that person must be able to perform all tasks that fall within the boundaries of that position. If this was not the case these persons would not be to rotate in the position which would increase the risk the others.

A similar problem arises as a result of our injury management programme. Our manual handling risk management program includes early intervention strategies when small injuries arise and Return to Work programmes when people have lost time due to injury. In these cases we place people in positions that may be considered 'low risk' from a manual handling point of view. The problem is that if we made these positions available as 'women only' positions to employ more women we would 1) undermine our job rotation strategy, 2) undermine our injury management programme, and 3) discriminate against everybody else by demanding them to work harder for the same amount of work done by those placed in the 'easier' positions.

The co-operative will not treat other people unfairly to enable us to treat others more favourably.

## **3. Competencies and Experience**

It would take at least 5 years, and often much more than that, to develop a new inexperienced employee to the point where that employee is highly skilled and employed in the highest grades. It is in our interest to give all people the training and development opportunities to grow into these positions. If people join us, leave us and come back (and repeat this process) then obviously they would find it difficult to gain the competencies and experience necessary to progress. This is just a fact of life.

We will continue to give all male and female employees the opportunity to be trained and to grow with the company. Whether they do so or not is to some extent beyond our control.

#### **4. Nature of the Industry**

The meat processing industry is perceived by many in the community as an unsavoury employment which tends to act as a barrier to attract new employees in general, and this is especially true in the case of women. The reality is that not all process operations in an abattoir are unsavoury but it is extremely difficult to get this message across to the community.

Our response to deal with this barrier is to improve our image through our commitment to providing wholesome and safe food, superior OH&S management systems, our commitment to the environment and our commitment to all our employees

#### **5. Paid Maternity Leave**

The introduction of Paid Maternity Leave will, in our view, act as a barrier to women participating in the workforce. This would especially be the case if it was the employer's responsibility to pay for the leave. All other things being equal the introduction of such a program would in our view work against employment opportunity for women of child bearing age. There are many unanswered questions that could exacerbate the problem or conversely reduce the problem such as:

Would maternity leave apply to casual staff?

How long would an employee have to be employed to qualify?

What would prevent an employee from claiming paid leave and then resign shortly afterwards?

#### **Conclusion**

The Northern Co-operative Meat Company would most likely regard legislation to enforce Paid Maternity Leave as a form of Affirmative Action. It may well be that a case can be made to support this.

The major argument against such a proposal is that any form of affirmative action would only act to discriminate against others and in the long term would work against the interests of those meant to benefit from it. If this became the law of land we would of course



comply with the law, in the absence of this we will continue to treat all people equally.