



UNIONS**WA**

ABN 12 594 631 668 • Level 4, 445 Hay St PERTH
PO Box Z5380, St Georges Tce, PERTH WA 6831
Tel: +61 8 9328 7877 • Fax: +61 8 9328 8132
unionsyes@unionswa.com.au • www.unionswa.com.au

20 February 2009

John Carter
Committee Secretary
Senate Education, Employment & Workplace Relations Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear John

Senate Inquiry into the Fair Work Bill 2008

Please find below response to the questions on notice put to UnionsWA during the Senate Committee hearing in Perth on 29 January.

Yours sincerely

Dave Robinson
Secretary
UnionsWA

Enc.

Could you, on notice, give me the union coverage of employees on more than \$100,000 a year and the number of union members that are on more than \$200,000 a year in WA?

- According to ABS data, nationally, up to 24.6% of male trade union members and 24.9% of female trade union members (a total of 61,200 members) may earn in excess of \$100,000 per annum (gross weekly earnings between \$1600 and under \$1800 per week)
- 16.4% of male trade union members and 16.6% of female trade union members earned above the \$1800 per week threshold representing a total of 109,100 trade union members across Australia.
- As of August 2007, 15.7% of workers in WA were trade union members (145,900) union members according to ABS. The Mining industry had the highest median weekly earnings for both full time and part time workers.

As the largest single industry in the state and a key driver of the economy it would be reasonable to assume that there are a significant proportion of high weekly earners in this industry in WA.

- The ABS report, *Employee Earnings, Benefits and Trade Union Membership Occupations 2007*, concludes that the occupations in Australia with the highest median earnings were, in rank order, Managers, Professionals, the Mining Industry and the Electricity, Gas and Water Supply Industry.
- These occupations attract earnings in excess of \$100,000 and \$200,000. Recent salary rates released from Hays Resources and Mining and from MyCareer.com put average rates in this industry at well over \$100,000, with average maximum rates reaching as high as \$300,000.
- As of May 2008 there were 58,380 workers in the mining industry in WA of which, based on these findings, it would be reasonable to assume that a significant proportion would be union members who would be earning in excess of \$100k or \$200k.
- The report also found that the highest proportion of employees who were likely to be trade union members were Machinery Operators and Drivers, followed by Professionals. As an occupational field in WA, the Professionals grouping has steadily grown and as of August there 219,132 workers in this field - more than any other occupational group. As this group attracts some of the highest median earnings, one can assume there will be a significant proportion of union members earning in excess of \$100k or \$200k.

Do you have any suggestions for amendments to the IFA provisions in the Bill?

UnionsWA is concerned that despite provisions designed to stop explicit coercion of employees to adopt individual flexibility arrangements, employees can nevertheless feel obliged to give up rights under individual arrangements. Also, it is our experience that just because a worker consents to an individual agreement it does not follow that the worker understands the employment standards in question.

We support limits being put on conditions which can be modified under these individual arrangements. We also support the Act encouraging these arrangements to be made under collective, rather than individual bargaining.

If these individual arrangements are made with the genuine effect of securing flexible work arrangements to suit the individual, then a vote of employees in that workplace to allow such an arrangement would be a good safeguard against undermining agreed conditions (such as commencing work early without penalty rates).

Should 'low paid' be defined in the legislation? If not, why not? If it is to be defined, how would you define it?

We do not believe it is necessary to define 'low paid' within this Act. Provision is given under Division 9 for Fair Work Australia to hear submissions in regard to the stream, enabling parties to give their view on the application of the term to a particular industry.

Ever since costing the needs of Australian working families and the establishment of the basic wage in the 1907 Harvester decision, the question of average wage, low wage and poverty in Australia has been the matter of some debate¹. We believe it is appropriate to allow FWA to consider a broad range of matters when deciding whether an employer or industry falls within the "low paid" stream.

¹ WORKING BUT POOR? LOW PAY AND POVERTY IN AUSTRALIA Tony Eardley
Social Policy Research Centre Discussion Paper Nov 1998