

## **Supplementary Submission to the Senate Committee Inquiry into the Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008**

**Dave Robinson, Secretary, Unions WA.**

**10 March 2008**

Please find below clarification sought at the proceedings of the Senate Committee Inquiry in Perth on Tuesday 4 March 2008 during the presentation of UnionsWA's submission by President Meredith Hammat.

1. The gender pay gap in 1993

Figures supplied by Curtin University are as follows:

Gender wage ratio (calculated on a four quarter moving average).

(ie, the Nov 1993 rate gives the annual average for 1993).

(Full-time labour market, average weekly ordinary time earnings, seasonally adjusted)

	Australia	NSW	VIC	QLD	SA	WA	TAS
Nov-1993	84.01	84.61	83.66	84.05	87.46	78.18	84.05

2. UnionsWA view on the proposed Award modernisation process

- This is a vastly complex process and should be proceeded with in that context. The process should not be rushed and should form the basis for sound, coherent awards that are a model for the future.
- Award modernisation must not disadvantage workers; rather, it needs to be an exercise that provides workers with a fair safety net along with any legislated provisions that might prevail.
- This process must involve genuine consultation with all stakeholders.
- Restrictions in Awards: No Right of Entry – why should this be the case? There seems to be no rationale to this and we would oppose this restriction; State based differentials are also prohibited – this seems to be a remarkable position which fails entirely to account for what have often been legitimate differences in payments, allowances etc. This will ensure that it is all the harder to achieve a unitary IR system with those existing entitlements that are different having to be protected at a State level.
- Awards should also have the capacity to cover high income earners – setting an arbitrary salary cap and suggesting that workers above a certain income level don't need the benefit of a safety net is erroneous. Conditions of employment, workplace practices etc are as important as a salary for many workers and are often, quite properly, contained in awards. UnionsWA opposes this discriminatory position.
- There needs to be an Award for every employer covered by the Federal IR system.
- It would be useful to commence the process with a few key awards that might set the benchmark for others.

- UnionsWA supports the ACTU's position to participate in an "Award Modernisation Reference group" comprising ACTU, Government and key employer peak bodies.

3. UnionsWA view on the issue of ITEAs for those employees who are rehired.

UnionsWA has publicly criticised the use of AWAs and is opposed to the introduction of ITEAs which are an extension, albeit temporarily, of AWAs.

The CCIWA has argued that ITEAs should be extended to industries of high turnover, including the construction, retail, home care and hospitality industries. However, workers in home care, hospitality or retail already have much lower average weekly earnings than the national average (Nov 2007 – all employees total earnings were \$880.20 per week. In retail this was \$539.90, in hospitality \$493 and in health and community services \$780.80<sup>1</sup>). Consistent with the argument that workers are worse off under AWAs, extending ITEAs would only further disadvantage these workers compared to the national average.

Advocates of AWAs argued that they offered choice, but this choice was never afforded to new employees whose employment could be conditional on signing the AWA. Lack of choice in compulsion to sign an ITEA at the commencement of employment is only exacerbated for high turnover employees and should not be extended.

If negotiation does take place on the terms of the AWA (or ITEA) at commencement of employment as employers claim (and we dispute), then the certainty about wage outcomes for construction and other projects could be no more guaranteed than they could under collective negotiations.

4. Comparison between bargaining outcomes in collective agreements (CAs) and Australian Workplace Agreements (AWAs)

Page 4 of our submission to the Inquiry refers to research by Industrial Relations Victoria (IRV) released in March 2007. The research concludes:

- "Employees on AWAs receive 16.3% less pay (in median terms) than those covered by CAs;
- Employees on AWAs receive 7.3% less per hour (in average terms) than those covered in CAs;
- Where employers are focused on cost minimization, AWAs can be used to reduce average pay and conditions (through cutting penalty rates, overtime pay and protected award conditions)".

In addition, AWAs pay a lower hourly rate of pay than the relevant collective agreement in a majority of industries. We refer the Committee to the Fair Employment Discussion Paper 2, (attached to our written submission) page 18, Chart 5 for a comparison of AWA Wage Outcomes Relative to Collective Agreement Outcomes By Industry.

---

<sup>1</sup> ABS • AVERAGE WEEKLY EARNINGS • 630 2 . 0 • NOV 200 7