

NPEC SUBMISSION TO HREOC OVER-AWARD PAYMENTS INQUIRY

Notes from discussion with Anna Booth and Sue McCredie, CATU, on over-awards in TCF Industry
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Q.1 What form do over-awards take in your industry? (Refer HREOC Inquiry definition)

The forms differ for men and women. Women are concentrated in machinist work in the *clothing* industry; they are paid a minimum rates award plus bonuses (payment by results) over and above the minimum award. The bonus earnings are not secure; they fluctuate according to circumstances. CATU prefers not to describe these as over-awards in that their availability is not certain and when they are received, they do not place their recipients in the privileged realm of other workers receiving over-awards, but rather barely allow them to survive financially.

Men in *clothing* and *footwear* industries are generally in trades classifications (e.g. maintenance workers, pressers, cutters, clickers); they receive over-awards in the generally understood sense of a standard, regular, guaranteed amount over and above the minimum award rate. This is usually expressed in the form of a 'going rate' in the industry, an amount which consists of the minimum award rate plus whatever amount above that is required to attract and retain skilled labour.

It was believed that attendance and quality bonuses are paid in the *textiles* industry.

Q.2 When/for what reasons are over-awards usually won?

Bonuses (payment by results) are linked to production.*

Over-awards in male dominated areas tend to be a response to labour market supply/demand factors.

It was believed that in the *textiles* area, compensation for danger was an issue with some over-awards.

The conditions which give rise to the different forms of over-awards in TCF were seen to be economic, in the sense that the *clothing* industry is labour-intensive, while *textiles* and *footwear* are capital-intensive. This was seen to be more important than the factor of greater industrial muscle in the male-dominated areas. The capital-intensive areas can more readily afford to give in to demands for higher pay to create a 'going rate' above the award.

*Union mediation of the conditions under which, and the manner in which, bonuses are paid, is a major CATU campaign at the moment. A new Payment by Results Clause is about to be inserted into the Federal Clothing Trades Award (see Draft Order attached).

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