



Women's Electoral Lobby Australia Inc.

PO Box 191, CIVIC SQUARE ACT 2608

Web page: <http://www.wel.org.au>

Women's Electoral Lobby Australia

and

National Pay Equity Coalition

Submission to the Award Review Taskforce

Response to Discussion Papers

Award Rationalisation

and

Rationalisation of award wage and classification structures

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Submission to the Award Review Taskforce

Response to the Discussion Papers on the Rationalisation of Awards and Classification Structures.

Women's Electoral Lobby and the National Pay Equity Coalition have long been involved in advancing the working conditions of women in Australia. We have contributed to many parliamentary inquiries both in Federal and State jurisdictions into issues that affect working women. We have also contributed to, and intervened in industrial cases before both the Federal and State Industrial Tribunals.

We are aware that time for Submissions by interested parties has expired however we note that Commissioner O'Callaghan has said recently that the Taskforce is prepared to accept late submissions from interested parties.

We recommend that any rationalization of awards and classification structures must carefully consider the impact on women workers. The process must include wide and comprehensive consultation with employers, unions, Governments, community groups and other industrial stakeholders. We reject the notion of twenty industry awards. The proposal of twenty industry awards is restrictive, inflexible and will be unable to satisfy modern workplace requirements. We recommend more wide ranging classification structures that clearly articulate and remunerate skill and qualifications on a non gendered basis. We propose that a Pay Equity Inquiry be conducted to ensure that changes do not disadvantage women majority employment areas. We recommend that if award conditions are to be standardized, then in order to satisfy the Government's commitment that this process is not a benefit cutting exercise, the most generous award provisions in awards must be adopted.

The importance of Awards to women workers.

Women are 45 per cent of the Australian labour force. Women are more reliant on award wages than men. Twenty-four per cent of women are

award reliant whereas fifteen per cent of men are award reliant. Thirty-one per cent of women who work in the private sector are award reliant.

Women are employed in retail trade, health and community services, education, hospitality, government and personal service these are industries that are heavily reliant upon awards to set wages and conditions.

Women are sixty per cent of casual workers and seventy-one per cent of part-time workers are women. Part-time workers are highest among the award reliant group of workers. Thirty-four per cent of part time employees and forty-five per cent of casual employees are award reliant.

When we look at low wage workers we find that women dominate the low pay sector. The Australian Bureau of Statistics finds that award reliant workers earn the lowest average weekly earnings and that almost sixty per cent of these are women workers. The low paid sector of the economy is not made up of young workers on a training wage but is dominated by women, the majority of whom have dependent children and many of which are sole parent families.

Women low wage workers are also paid less than male low paid workers. Because women have times out of the labour force for child bearing and caring responsibilities they are more reliant on the aged pension than men, have less superannuation and are more likely to live in poverty in their older age. Women also bear the responsibility for the care of family members with disabilities and for older members of their family. Lone parents are predominately women and lone mothers tend to have younger children living with them. Lone parents are more likely to rely on government pensions and allowances as their source of income and lone parents are over-represented in long-term low-income groups.

Any change to the award system will have a profound affect on women and their economic and social circumstances.

We remind the Taskforce that the Government is obliged under both domestic and international law to ensure workplace equality for women, and this involves addressing both direct and indirect forms of discrimination.

Award Rationalisation:

The Taskforce discussion paper suggests that the rationalization process should not result in the cutting of benefits to workers. We submit that this is imperative to women workers.

We express our concern at the haste of the process. We suggest that wide consultation take place with employers, unions, professional bodies and community groups to ensure that the process consider the industrial history and development of awards. The Taskforce must consider the practical requirements of employers, employees, their unions and workplaces and how awards have been developed to assist in the operation of fair, safe and efficient workplaces

We submit that the Taskforce's consideration of the rationalizing awards to twenty industry awards is too restrictive. It ignores the historical development of awards and it will fail to meet the needs of workers and employers. The industry model fails to recognize that the education system, skill formation and recognition and qualifications are based mainly on an occupational model. The award system must be flexible to cover occupations, industries and workplaces.

We are also concerned that restricting allowable matters in awards will result in many women workers losing entitlements. We are particularly concerned that allowable matters that assist women in balancing work and family commitments will no longer be allowable matters. Paid maternity leave and the 2005 Family Leave Test Case are a point of concern.

We are concerned that in an attempt to standardize conditions many workers will have their entitlements downgraded.

We therefore suggest that in order for the Taskforce to fulfill the Government's promise that this is not a benefit cutting exercise they retain the most generous of award conditions and not level downwards.

The Taskforce must ensure that direct and indirect discriminatory clauses must be removed from awards and we refer to the substantial work that has been done through Section 150A reviews. We suggest that any

rationalization process carefully consider discriminatory outcomes that may be a consequence of the rationalization process.

Outworkers:

We are concerned that the rationalization process may reduce protections for outworkers. Many women perform work in outworking situations. In particular many work in the Clothing and Textile Industry. Protections against wage exploitation and health and safety standards found in awards must be retained. Any rationalization process must also bind non-employers in the clothing industry to ensure that workers not be exploited.

Rationalisation of Classification Structures.

As women are more likely to rely on awards to govern their wages and conditions of employment the proper value of their work and appropriate classification structures are important in addressing the issue of pay equity. Any change to classification structures must entail a full non-gendered assessment of work value, skill, training and hard and soft, formal and informal qualifications.

Women's Electoral Lobby and the National Pay Equity Coalition have made submissions to the many Pay Equity Inquiries held at the various State Tribunals and Government levels. We draw your attention to Victorian Government Pay Equity Inquiry and the McCallum Report which found that compression and broadbanding of pay scales that took place during the Kennett period resulted in a widening of the pay gap between men and women. We believe that compression of classification structures will result in many women being relegated to low rates of pay with little opportunity to access higher rates of pay. Broadbanding will lead to women being ghettoized into the low paid sector.

Wide-ranging classification structures, clearly articulated job descriptors and non-gendered value of work are important factors in achieving pay equity. We draw the Taskforce's attention to the NSW Pay Equity Inquiry where Justice Glynn found that compressed and minimal classification structures do not adequately recognize and remunerate skills, qualifications and work performed.

We submit that pay systems that rely on subjective assessment on an

individual's work , skill and qualifications are often discriminatory and provide no answer to the pay equity issue.

Casual Loadings

Again we point out the importance of awards and the clear and proper remuneration for casual work for women. Many awards set out varying casual loadings for work performed. To honour the Government's commitment that award rationalisation will not be a cost cutting exercise we submit that casuals loadings must be retained as they appear in current awards. They must not be reduced or lowered through a broadbanning exercise. Women are a high proportion of the casual workforce. They are reliant on these loadings in order to support themselves and their dependents. We point out that women are the majority of sole parent households..

Conclusion:

We have drawn the attention of the Taskforce to the importance of the award system to women workers. We submit that any rationalization process and restructuring of the classification system requires full consideration of the outcomes and unintended consequences of any change. The Taskforce requires full consultation with major stakeholders with knowledge and practical experience in the industrial system. It also requires input from the training and education sectors, health and safety advisors, groups representing women, young workers, migrant workers, outworkers and the Human Rights and Equal Opportunity Commission.

We remind the Taskforce that the labour market is not a 'free market' and that labour market discrimination does affect working conditions. Wages and entitlements are affected by labour market discrimination and therefore to correct discrimination there is a need for protections and entitlements to be legislated. Historically in Australia these entitlements and protections have been found in the award system. To remove these entitlements and protections from awards will severely impact Australian workers, particularly women. The social and economic impact of such change ought to be clearly and carefully considered.

We contend that in the light of foreseeable labour shortages, removing rights, entitlements and ability to earn higher incomes through career progression is poor labour market policy and does not fit with

Government's aim of encouraging greater women's workforce participation.

We suggest that in order to advance pay equity in Australia the Taskforce consider international advances in pay equity, the various initiatives taken in the State jurisdictions in conducting inquiries and setting equal remuneration principles and guidelines.

Proposal for Pay Equity Inquiry:

We suggest that the Taskforce conduct a similar inquiry as that conducted by the New South Wales Industrial Commission. We are unaware of such an Inquiry into pay equity and mechanisms to resolve these problems having taken place on a national basis. An investigation of the undervaluation of women's skills and the method of addressing pay inequity is long overdue in the Federal system.

We suggest that an Inquiry investigate whether work in female dominated occupations and industries is underpaid in terms of remuneration paid relative to work in comparable male dominated occupations and industries.

- Consider advances in pay equity achieved internationally.
- Develop recommendations and mechanisms to remedy pay equity.
- Review the Equal Remuneration Principles contained in the Workplace Relations Act so that Pay Equity Cases can be successful in the Commission.
- Provide funding for women's groups, community groups
- and other stakeholders to assist in their participation in Inquiries and Cases before the Commission.

**Women's Electoral Lobby Australia Inc.**

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26th February 2006

Mr. Matthew O'Callaghan
Chairman
Australian Government Award Review Taskforce
GPO Box 9879 (Location Code 64N24
CANBERRA ACT 2601

By email: feedback@awardreviewtaskforce.gov.au

Dear Mr. O'Callaghan

We note that the date for submissions has expired but have been advised that you are prepared to accept late submissions.

We are voluntary community organizations and unfortunately did not have the resources to make a submission prior to the closing date. We therefore hope that you will accept our late submission.

We would be pleased to discuss further any matters raised in this submission.

Yours sincerely

Suzanne Hammond
For Women's Electoral Lobby and
The National Pay Equity Coalition.