Chapter 2

Seeking Flexibility and Equity at Work

Martin Ferguson

All too often questions of equal opportunity and the needs of women workers become of secondary importance during difficult economic times.

Developments in industrial relations in Australia over the last 12 months reflect the excitement of a narrow and short-sighted approach. Too many people have failed properly to consider the needs of women workers in the development of a comprehensive industrial relations system which will further contribute to securing the economic and social well-being of Australia.

The Accord Process

It therefore again falls to the union movement, thinking employers and a caring national Labor Government to adopt a leadership position. Under the Accord process the union movement has had an opportunity to contribute to the remoulding of the Australian system of industrial relations.

It has been an evolving process in which wages and conditions of employment have retained a central role, but in the context of the union movement broadening its horizons and influence. Some venture to suggest that such a broadening of horizons is long overdue. Indeed, the very survival of the union movement depends on its ability to continue this process as does the future social and economic well-being of Australia.

Be it on social wage issues such as health care, the family allowance supplement or family allowances generally, the introduction of parental leave, development of child care, the nature of the wages system or the question of superannuation, no issue is less or more important than the other if we are to succeed in our broader objectives. Women workers should no longer be treated as second class citizens — people who are not only required to bear the brunt of concerns and responsibility about the family but also required to accept a further delay in overcoming their industrial concerns due to the difficult economic times.

If you support such an approach then you begin to understand the basis of the unanimous decision of the ACTU Special Union's Conference of 1 May to reject the 16 April 1991, National Wage Decision.

Wages Strategy

The ACTU over the years of the Accord with the federal Government has pursued a sophisticated strategy aimed at increasing rates of pay for low-paid workers, many of whom are women.

The strategy has included the need to entrench the award system by rewriting awards to make them relevant. This is especially important for workers in a weaker bargaining system. Other goals have been to overcome discrimination against groups of workers, for example, blue-collar workers who have not had the access to automatic service increments and promotion to higher grades that other, generally white-collar, workers have had. The strategy has sought to have workers properly rewarded for skills they exercise and for the training, including on the job training, that they have undergone. Moreover, there has been attention to ensuring consistency in terms of rates of pay based on skills, training and responsibility, between workers in different industries and different occupations.

The strategy has sought to protect the position of low-paid workers by way of flat-rate wage increases, taxation measures and social wage issues, including superannuation.

In the context of a difficult economic environment the strategy has sought to protect the position of low-paid workers by way of flat-rate wage increases, taxation measures and social wage issues, including superannuation and at the same time to confront the issue of improving the efficiency of Australia's industrial base. The Accord has been about achieving these objectives. Award restructuring has been the method. It has meant the review of awards to build in career paths where none have existed before. Take the example of workers in child care or commercial clerks. Revised awards have made the classifications more relevant, for example, going from childcare helper to
childcare worker, stenographer to clerical officer.

Award restructuring has also improved rates of pay through the supplementary payments and minimum rates adjustment mechanism which has seen significant award rate increases for many women workers. Of further significance have been changes such as the controlled introduction of part-time work in the commercial clerks' award which provides for full pro-rata benefits to all part-time workers.

The ACTU believes that there have been substantial gains made for the workforce as a whole and for women as part of this process. The Pay Equity Report, which was commissioned and published last year by the National Women's Consultative Council, supports this view. In that important report, which was supported strongly by the ACTU through its representative on the Council, Helen Casey, the point is made that women have benefited from the flat-rate increases that have applied in National Wage Case Decisions over the years of the Accord. It also records that many women have benefited from supplementary payments and that these payments have been an effective strategy for improving the position of some low-paid women workers and narrowing the "earning's gap" between men and women. The report also notes that award and industry restructuring provides an important opportunity to challenge the rigid gender segmentation of the workforce, and remove some of the structural, institutional and discriminatory barriers to pay equity.

This is possible through the review of approaches to work organisation and job design, improved access to training including recognition of prior learning, provision for child care, appropriate recognition of skills, and incorporating affirmative action and equal employment principles into union strategies. The report also states that "Australia's centralised wage fixing system has been a major factor contributing to the improvement of women's wages since 1900".

Between 1983 and 1990 there has been some narrowing of the gap between male and female earnings, especially with respect to the ordinary time earnings of full-time adults (by 1.7 per cent) and full-time non-managerial adults (by 4.2 per cent). Similarly the pay gap in terms of award wage rates for full-time non-managerial adults has narrowed by 3.2 per cent between 1984 and 1989.

At the same time women's employment participation has increased significantly. Between September 1984 and March 1991, 725,000 new women's jobs have been created. Almost half, or 46.7 per cent of these have been in full-time employment.

The ACTU is aware of the concern of some women's groups that the move to a measure of workplace bargaining as negotiated in Accord Mark VI will extend the pay differential between men and women. It is important to recognise that the Accord Mark VI had three important features. First, it provided for a flat wage increase of $12 per week, a proportionately greater benefit to low-paid, women workers. Second it increased superannuation and this was extremely important for women since before the late 1980s most had no access to superannuation. Third, the Accord VI sought flexibility and this was designed in part to maintain the centralised wage system by providing a limited mechanism for increases over and above national minima. Let me say this with respect to concerns about that last component. The trade union movement will support those workers who are able to gain increases. The movement will not support those who wish to see these increases denied.

## Workplace Bargaining

It is a matter of regret that the recent National Wage Case bench could cite the Australian Federation of Business and Professional Women as supporting the rejection of this component of Accord Mark VI. That is not to say we fail to recognise the dangers inherent in seeking to maintain an equitable wages system at the same time as providing for flexibility. Our support for workplace bargaining is premised on the need for both equity and flexibility. Whether people like it or not, workplace bargaining is a fact of economic, industrial

<table>
<thead>
<tr>
<th>TABLE 2.1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Earnings: November Quarter 1990</strong></td>
</tr>
<tr>
<td><strong>Ratio of Female to Male</strong></td>
</tr>
<tr>
<td><strong>Average Weekly Earnings</strong></td>
</tr>
<tr>
<td><strong>Adult Employees</strong></td>
</tr>
<tr>
<td>Full-time, ordinary time earnings</td>
</tr>
<tr>
<td>Full-time, total earnings</td>
</tr>
<tr>
<td>All employees weekly total earnings</td>
</tr>
</tbody>
</table>

and political life.

In that context, as requested by affiliates, the ACTU is currently developing guidelines for affiliates which pursue the process of company bargaining, that is, involving all unions and involving all employees at a workplace. The ACTU has stressed that there should be no reduction in income, no lessening of national standards and ensuring an equitable outcome for all employees at a workplace.

The worst elements of the April 1991 National Wage Case decision for women were: the rejection of the proposed flat-rate increase; rejection of a common operative date; the requirement for offsets; the effective undermining of the ACTU’s minimum rates strategy by requiring supplementary payments to be placed outside the wages’ clause of Awards; the weakening of the principle that there should be no reduction in earnings as part of award restructuring; and, the refusal to support the phased increase of additional improvements in occupational superannuation.

The ACTU will stick with the Accord process despite the decision of the Industrial Relations Commission. Unions will negotiate directly with employers on an industry-by-industry basis across the country to secure our claims.

Supplementary Payments Principle

There will be delays in achieving a general wage increase for many workers but the concern of unions is not just about a wage increase of 2.5 per cent or $12.00 but more correctly the integrity of the wages system in Australia. Take for example, the Decision’s distortion of the supplementary payments principle, the second part of a two-pronged attack on the low-paid (along with the refusal of a flat increase). The ACTU, in advocating the principle, wanted it to serve as an integral part of the total minimum rate for low-paid workers. The supplementary payment along with the base rate formed the total minimum rate. In contrast, the Industrial Relations Commission has interpreted the supplementary payment as being in addition to the minimum rate, that is, in lieu of an over-award payment.

The award restructuring process has in some cases reduced base rates in an effort to achieve consistent minimum rates. If the Industrial Relations Commission takes the view that the base rate is in fact the minimum, a cancellation of the supplementary payment by the Commission (which is a real danger given the separate treatment of supplementary payments by the Decision) would have some workers worse off than before supplementary payments were introduced. The Decision would allow supplementary payments to vary across industry, geographic areas and individual employers — like an over-award payment. This is a defeatful attack on the low-paid and has undermined the purpose of the supplementary payments principle. Unions cannot and will not support this approach.

Superannuation

What then of the question of superannuation and the unanimous decision of the ACTU Wages Committee of July 1991 to again reaffirm its commitment to the superannuation component of Accord Mark VI. The provision of award-based superannuation for all working Australians is an important objective of the Accord partners. It is one of the key solutions to the fundamental problems facing the Australian economy. Australia’s aging population is rising rapidly and it is better to meet their future needs by superannuation provisions rather than future demands on the public purse.

The Australian Bureau of Statistics estimates a growth in the population of pensionable age from 1.9 million in 1984 to just over 4 million by 2021, with the rate of Australians of working age to those over 65 falling from 5:1 at present to 3:1 by 2051. Further, the Australian Government has continually emphasised the macro-economic need in Australia to lift the level of domestic savings rather than rely on foreign sources of investment. Superannuation is an appropriate means to do this.

It is necessary from an economic perspective and a fundamental right for all Australians to have sufficient resources for when they reach a retirement. It is about their right to retire with dignity. Currently, there are many wage and salary earners without access to decent superannuation. Moreover, since 1987, superannuation coverage has leapt in line with the insertion of superannuation provisions into industry awards and agreements. It is estimated that coverage for employed people in the private and public sectors has risen from 40 per cent in 1987 to 64 per cent by the middle of 1990.

The extension of coverage has significantly affected those employment groups who have traditionally been under represented. In many industries, award-based superannuation has delivered superannuation to many women for the first time. For example, the Health Employees Superannuation Trust of Australia (HESTA), an industry based award plan for the health industry now has a membership of 170,000, of whom
approximately 90 per cent are women. Blue-collar workers as a group have also benefited. Several major funds together now cover approximately 750,000 workers. Part-time employees and employees in spheres of low unionisation have also benefited.

Whether some employer organisations and the Industrial Relations Commission like it or not, the time has come for decisive action and leadership on the all-important issue of superannuation. Numerous negotiations and discussions have taken place with regard to superannuation. Workers and their employers have made giant strides to extend superannuation throughout the workforce. The current ACTU claim for a 3 per cent increase in superannuation, phased in over three years, is a moderate and affordable claim. But all the Industrial Relations Commission could offer in its April 1991 Decision was yet another conference.

Whilst the Industrial Relations Commission procrastinates, the Australian Government should act. Superannuation is no longer a luxury or the preserve of the privileged in the community; it is an industrial right and an economic imperative. The ACTU has therefore requested the Australian Government to legislate to put in place, a long-term retirement incomes policy. Australia cannot afford to delay occupational superannuation improvements until the next election. The Government has a mandate to be given to it by the electorate in March 1990, when it was re-elected for its fourth successive term. Accord Mark VI, which provided for a doubling of occupational superannuation, was very much an issue at that election.

The Government’s retirement income policy, released concurrent with the August 1989 Budget outlined an objective to maintain and improve the age pension while providing more opportunities and incentives for people to improve their living standards with self generated income. To this end the Government implemented a number of measures and provided support for a second round Award based superannuation contribution. The union movement awaits the Government’s consideration of its request to legislate on superannuation, to guarantee the right of ordinary Australians to retire with some dignity.

Perhaps my address today could be perceived in a rather gloomy light from the point of view of women workers and against the backdrop of developments in Industrial Relations over the last 12 months. Despite the temporary difficulties following the recent National Wages Decision, the trade union movement remains committed to the needs of women workers. Moreover, the union movement is a resilient organisation and we will win through. Unions have had some successes on the industrial relations front over the last 12 months. The transformation of the union movement through amalgamation and rationalisation of coverage is proceeding quicker than originally expected. There is no doubt that we will achieve the 20 significant union groups suggested by the ACTU Executive and our report to the September 1991 ACTU Congress will prove this.

**Union Amalgamations**

The Australian Government has provided valuable support through legislation to facilitate union amalgamations and in the form of financial support to affiliates to assist in promoting union mergers. The ACTU Executive has also adopted strategies to increase the number of women in decision making positions when union amalgamations take place. The strategies recommended by the ACTU Women’s Committee cover the following areas. Unions are encouraged to place a high priority on recruiting and retaining women members. The representation of women is to be increased at the top of the ACTU, Trades and Labor Councils, and individuals unions. Unions and peak bodies are to take up issues of concern to women workers as set out in ACTU policies and strategy documents and unions must ensure that women’s needs are taken into account in wage and industry policy strategies.

Consistent with these strategies, the Australian Teachers’ Union has introduced a rule change which ensures that at least 50 per cent of delegates to the union’s federal conference must be women. The rule change, which has been approved by the Industrial Relations Commission, follows a landmark “affirmative action” decision on rule changes by the Australian Industrial Relations Commission on February 6. The decision relates to the amalgamation of the Municipal Officers Association (MOA), the Australian Transport Officers Federation (ATOF) and the Technical Services Guild (TSG) into the new Australian Services Union (ASU).

Under the rules for the new union there will be a female-only position of vice president at the national and State levels. Only women will be able to stand or vote for these positions. A Commission Deputy President, Michael Moore, approved the rule changes in a 15-page decision following an application by the new union as part of an affirmative action program to increase female representation. Deputy President Moore said the rules did not contravene the federal Sex Discrimination Act because section 33 of the Act allows for special affirmative action measures to assist women
in gaining more equal opportunities with men.

The decision referred also to an MOA survey which showed that women were under represented in the union because of a lack of child care and insufficient encouragement by the union to stand for official positions. The ACTU, which assisted in the case, believes it is a pace-setter for union amalgamations and should be followed by other unions which are concerned about the low representation of women in senior positions. It is believed that only about 15 per cent of union officials in Australia are women.

Parental Leave

On the question of family responsibilities progress has also been made. Parental leave for fathers has started flowing into Awards, following the handing down of orders for the Training Industry Award and the Wholesale and Retail Shop Employees (ACT) Award in February 1991. The Australian Industrial Relations Commission varied these two awards, which were used as “vehicles” in the test case, to insert the new parental leave standards, which provide for one year of unpaid leave for fathers plus maternity leave, adoption leave and part-time work in connection with the birth or adoption of a child.

The Commission handed down its decision on parental leave in July 1990, but the Awards were not altered until February 1991 because of problems in drafting the changes. The ACTU has provided material to unions so that they may seek to vary all federal Awards for parental leave and has asked the State Trades and Labour Councils to prepare cases for the State Industrial Tribunals, so that parental leave can flow into State Awards.

The ACTU is also delighted with the Prime Minister’s firm commitment in his keynote address to the Australian Labor Party’s Centenary Conference that the Government is committed despite the need for current fiscal discipline to develop initiatives in the forthcoming budget that will further assist families. The Prime Minister stressed the firm commitment of the Government to low and middle income families with kids.

Reference was also made to a willingness by the Government to seek to make our cities work better. The objective is to improve access to work, services and education through better transport links, more affordable and appropriate housing, and a cleaner urban environment. The review of Australia’s health system, to make Medicare even better, was also endorsed by the Prime Minister.

Some may scratch their head as to the link of these issues to industrial relations. The answer is simple and it is related to the union movement’s broader vision of what industrial relations is fundamentally about. Industrial relations is about people and the union movement’s desire through co-operation and consultation with employers and governments alike to put in place the best available opportunities for the people we represent. Unions recognise the need to improve Australia’s competitive position. Education, health and the quality of cities are relevant concerns as are the usual industrial relations fare of wages, union structures and work organisation.

In conclusion, unions have experienced ups and downs on the industrial relations front throughout the last 12 months. It is certainly not getting any easier, but more than ever unions remain committed to working to making unions relevant to women workers and in so doing continuing the development of equal opportunity initiatives so critical to business survival and to the economic and social well-being of Australia. It is certainly a time not only to be creative and innovative but also to be determined. The union movement will pursue the struggle for reform of industrial relations in Australia. It is about equity and flexibility.