



GENDER EQUALITY, LIKE RIGHTS AT WORK, IS AT STAKE

AEU FEDERAL ELECTION FACT SHEET

NUMBER 8 – August 2007

Women's incomes are lower under *WorkChoices* and the gap between men's and women's wages is growing

Collective (union) bargaining has delivered gains in gender pay equity for women. Under *WorkChoices* employers can refuse to bargain collectively with employees, even if that is what the majority want.

In general, women in full-time jobs now earn \$100 less than men (the same gender pay gap, as almost 30 years ago.)

(2007 ABS data)

Women earned 83.6% of the male dollar for full-time ordinary time earnings. For both full and part-time work – where many more women are concentrated - women earned only 65.5%!

(HREOC, 2007)

Wages for full time female workers in the private sector have actually fallen since the Government's work laws came into effect, when inflation is factored in.

Analyses of women affected by *WorkChoices* highlights their vulnerability to AWAs. There is a clear pay gap between those on individual (AWA) contracts and collective agreements: Permanent part-time and casual workers, earn 17% less on AWAs than they do when covered by collective agreements!

There is a 20% gender pay gap in hourly rates between men and women on AWAs, showing that awards and collective agreements ensured better equality of women's and men's wages than the ad hoc system of individual contracts.

One report supports unions' argument that AWAs are indeed used differently by employers either for cost cutting or union avoidance. Both inhibit employees' rights. It reports wealthy large firms or Government departments often use AWAs to induce workers away from the collective with higher pay or to financially penalise those who seek to remain on collective agreements. While, "smaller firms . . . are more likely to use AWAs as a cost-minimisation tool" meaning less pay and entitlements.

(Peez and Preston, 2007)

Women working part-time risk losing their rights and conditions

Lost unfair dismissal rights for over 3 million Australians combined with increased working hours is placing women with care responsibilities under immense pressure.

Women with care responsibilities often require or prefer part-time work, however in Australia much part-time work is in the form of casual employment which has no leave or flexible options essential for balancing work and care.

Casual employees, (and therefore women), in sectors like hospitality, retail and care have been among the first to be subjected to AWAs and loss of conditions.

(Baird, 2007)

Employees on AWAs work longer - 36 hours a week, compared to 31.9 for workers on collective agreements. Full - time employees on AWAs work 41.5 hours a week, compared to 39.2 for those on collective agreements.

Average hourly earnings (ABS 6306.0, May 2006) show the pay gap between (non-managerial) full-time workers and part-timers to be 15% for women on collective agreements but a whopping 28% for those covered by AWA individual contracts.

Around 70% of all part-timers are women. For these women, the likelihood of being moved onto an AWA that reduces conditions is higher than for full time employees but more devastating is the huge loss of pay for this move, just because they work part-time to care.

Individual Contracts (AWAs) are reducing essential conditions working women rely on

AWAs once signed override award safety nets meaning that 5 minimum conditions are all that is guaranteed outside the individual agreement offered by the employer. 1.6 million workers relied on Awards and now are vulnerable to a bare minimum of rights.

AWAs too have been proven to be cutting basic employment conditions.

Early surveys showed that every new AWA cut at least one so-called 'protected award condition.' Many additional payments and things like, rest breaks, scheduled pay rises and leave have gone.

But also, ABS data showed us prior to WorkChoices AWAs were not a vehicle to deliver flexible work and family entitlements:

- for private sector employees, only 7% of AWAs included any additional family-friendly rights, than those in their basic award.
- only 8% provided paid maternity leave.
- 5% provided paid paternity leave.
- 4% provided unpaid 'purchased' leave, such as extra leave during school holidays.

Statistics from the Office of the Employment Advocate show that more recently only 25% of AWAs included family friendly provisions, the rest were silent on entitlements like flexible hours and job sharing that unions continue to pursue through collective agreements knowing they are crucial for working families.

(Sydney Morning Herald, 18/04/2007)

The new "Fairness Test" is claimed to stop the loss of conditions, yet it is full of loopholes which do not guarantee employees get full financial compensation for award conditions they have lost under the Federal Government's industrial relations laws.

Employees with family responsibilities are particularly at risk. Employees whose 'availability to work' is restricted due to family responsibilities or other personal circumstances have no guaranteed entitlement to penalty rates or shift pay under the 'fairness test'. And in fact their need for work counts against them in determining whether an AWA is "fair."

In fact some conditions are not included in the test, including paid maternity leave, and a say on rosters, (critical for working parents) and can now be abolished with no compensation to workers.

- Peetz, D., & Preston, B. (2007), "*AWAs, Collective Agreements and Earnings: Beneath The Aggregate Data*" report for Industrial Relations Victoria.
- Baird, M., Cooper, R. & Oliver, D. (2007), "*Down and Out with Work Choices: The impact of Work Choices on the Work and Lives of Women in Low Paid Employment*" report for Office of Industrial Relations, NSW Government.