
The IR Changes:
Working for or against women?

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Outline of talk:

- the main features of the IR changes
- the mixed achievements of the current IR system for women
- the likely impact on women in:
 - equal pay
 - quality or decent work
 - balancing work & family
- the less direct workplace impact of the changes

Main IR Changes...

- Setting of the minimum wage
 - Fair Pay Commission to replace AIRC role, with govt appointed members to set/adjust minimum wage, minimum award classifications, casual loadings
 - Focus on ensuring low paid and unemployed can get jobs
 - No 'public interest' test
 - Current minimum wage will not be cut, but real value may fall over time
- A legislated 'Fair Pay and Conditions Standard' which includes:
 - Minimum wage rates
 - 4 weeks annual leave, but can trade off 2
 - Unpaid parental leave for 12 months
 - Personal carer's leave, up to 10 days from accumulated sick leave
 - 38 hours maximum ordinary time, averaged over 12 months

Main IR Changes...

- Shift from collective bargaining to individual agreements/contracts
 - AWAs preferred form of agreements; AWAs 'trump' EBAs & awards
 - Current agreements/awards continue till replaced or terminated
 - Elimination of the 'no-disadvantage test'
 - AWAs tested only against the FPCS; can be in force for up to 5 yrs
 - AWAs can expressly exclude: public holidays, rest breaks, annual leave loadings, penalty rates

- Limiting unfair dismissal/redundancy laws
 - Workers will have no rights to unfair dismissal procedures in workplaces with under 100 employees; irregular casuals and those with less than 12 months service excluded from headcount
 - No right to redundancy pay for employees in workplaces with less than 15 employees
 - Federal law will override state unfair dismissal laws

Main IR Changes...

- Reduce powers of the AIRC
 - ❑ No role in wage fixing
 - ❑ Can't make awards, can only 'rationalise' existing awards
 - ❑ Can only determine disputes if both parties *voluntarily* agree
 - ❑ Can conciliate in limited circumstances; also private mediators

- Limit power of unions
 - ❑ Limits on right of entry
 - ❑ Compulsory secret ballots before protected industrial action,
 - ❑ Prohibition on industrial action for life of agreement

- Unitary IR system
 - ❑ Rely on corporations power to override State IR laws applying to employees of corporations
 - ❑ State IR systems will continue to cover some state public sector employees and employees of unincorporated bodies

Current system working for women?

- Persistence of gender pay gap
 - Increasing gap between F/T & P/T earnings
- Gender segregation both across industries and within workplaces
- Women significantly underrepresented in management
- Any focus on gender equality in paid work has disappeared
- In service industries erosion of conditions:
 - spread of hours, minimum hours, penalty rates
- Patchy and inadequate provision of family friendly benefits
 - limited spread of PML
 - women with young children least likely to have access
- Paying the price for part-time work in poorer wages & conditions
- Increase in *women-hostile* and *family hostile* conditions
 - work intensification, casualisation, long hours

The AIRC 'safety net'

Test Case Decisions

- 1969/72 - Equal Pay
- 1979 - Maternity Leave
- 1985 - Adoption Leave;
- 1990 - Parental Leave;
- 1994 - Family Leave;
- 1995 - Personal/Carer's Leave
- 2001 - Parental Leave for Casual Employees;
- 2002 - Reasonable Hours/Working Hours.
- 2005 - Family provisions

Likely impact on the gender pay gap?

- Institutional support (1969 & 1972 Equal pay decisions) important in decreasing the GPG in Australia
 - relying on the market took women in US another 30 years to catch up, but unlike Australia, low paid women have fared much more poorly
- Minimum wage increases during period of enterprise bargaining prevented a widening of the GPG; provide an important safety net for low paid women
- Centralised wage fixing systems are associated with lower GPGs
- Bigger GPG in AWAs : more than 20% between M & F hourly earnings
- A bigger gender pay gap detrimental to gender equality; narrows the choices women and their families make
- Abolishing state IR systems threatens gains made for pay equity through state based gender pay equity reviews & new pay equity principles

The impact on job quality?

- In other OECD countries, employment debate is about how to *improve* or *increase* job quality or decent work
- In Australia, changes will see an increasing polarisation of ‘good’ jobs and ‘bad’ jobs through:
 - increased casualisation
 - lower paid, less secure employment over time
 - reduction/loss of penalties; casual loadings
 - stagnant minimum wage
 - loss of protection against unfair dismissal
 - less predictable hours
 - averaging of full-time hours
 - too many /too few part-time hours
 - increased span of hours/unsocial hours
 - loss of employment benefits
 - annual leave
 - public holidays loadings etc

The impact on working mothers

IR Changes will exacerbate work/family imbalance & pressures

- Poorer access to family friendly arrangements through individual bargaining
 - take it or leave it
 - difficulties for more vulnerable workers
- Increased unpredictability of hours
 - *family-hostile* scheduling/loss of rostering rights
- No more test cases through the AIRC to provide for generalisable minimum family friendly standards
- Women returning to work may have to accept poorer wages & conditions than others in their workplace

Double whammy: IR changes + income support changes

From July 2006

- new claimants for Parenting Payment whose youngest child is older than six have to go on Newstart
 - required to seek part time work of at least 15 hours per week
- single parents currently in workforce who lose a job or find themselves unable to remain in paid work because of family hostile workplaces or caring pressures have to go on Newstart
 - will be at least \$29 a week worse off than on Parenting Payment

Working mothers disadvantaged because:

- 83.3% of sole parent families headed by women
 - many part-time jobs available offer less than 15 hours pw
 - may have to cobble together 2 or more jobs
 - a lot of part-time work is casual work with irregular hours and poorer hourly pay than full-time work
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A chillier work place climate for women?

- Shift from decent minimum standards to individual bargaining means many women workers will be particularly vulnerable
 - women typically have less bargaining power than men
 - exacerbated by gendered workplace arrangements where men more likely to be the managers and women the managed
- Extent to which women feel accepted and treated as valuable employees depends on org climate and commitment to EEO
- Changes means greater reliance on managerial discretion in shaping the workplace climate
 - may become even more hostile to the working mothers
 - often dismissed as 'just working mums',
 - those working part-time often seen as somehow 'part-committed'
 - any 'sense of entitlement' to gender equitable wages and conditions will become more muted
- It does not have to be like this...contrast with UK

Rhetoric & Risks...

- More jobs?
 - fewer incentives for women to participate
 - will increase job 'churn'
 - will make it difficult for employers to recruit high quality workers
 - Victorian experience: deregulation did *not* bring jobs growth
 - scepticism of even conservative economists about claims for job growth
 - what price jobs growth?
 - changes will increase casualisation
 - but not increase 'quality' jobs

Rhetoric & Risks...

- Increased productivity?
 - are we talking about increased productivity or profit?
 - NZ experience, productivity *declined* after move to individual bargaining
 - productivity has decreased since WRA
 - less investment in skills and career development
 - employee commitment critical to increasing productivity
 - are insecure workers more committed?
 - changes have long term implications for:
 - women's patterns of workforce participation
 - their capacity to contribute to Australia's long term economic productivity

Rhetoric & Risks...

- More choice for families?
 - for which families? different outcomes across industries, occupations & employment status
 - employee 'choice' is to accept employer conditions including *family-hostile* conditions or find another job
 - failure to address the increase in excessive working hours and the increased unpredictability in the quantum and scheduling of working hours and unsocial hours:
 - narrows choices for families
 - narrows choices and prospects for many working women & those who want to return to or take on paid employment

What is to be done?

- Think creatively about using other regulation:
 - anti-discrimination legislation, OH& S regulation
 - Encourage state governments to ameliorate these changes
 - Make the fed govt accountable - closely monitor IR changes for their impact on working women eg in respect to:
 - equal pay, decent work, work & family
 - Look to the future: articulate a policy framework to better support working women
 - more employee control over working hours and scheduling
 - paid parental and family leave
 - cap on long hours
 - access to 'quality' paid work, inc properly remunerated care jobs
 - pay equity
 - affordable accessible quality child care & elder care
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