

WAGES, SUPERANNUATION AND COLLECTIVE BARGAINING 2000 to 2003 POLICY

ACTU CONGRESS 2000

1. Introduction

- 1.1 Union collective bargaining delivers substantial and tangible benefits for union members. Union members earn 17% more overall than non-union members. The union pay differential is particularly strong for part-time workers, casual workers and women.
- 1.2 The ACTU Living Wage strategy has also successfully delivered \$51 per week for low paid workers since 1996.
- 1.3 Consistent with the unions@work Report, this policy directs attention to union organisation and action in the workplace to achieve further gains for members through campaigns for better wages and conditions. In these campaigns the role of the union delegate and the strength of union organisation in the workplace is decisive.

2. Objectives

- 2.1 In the context of the current wages, collective bargaining and superannuation systems, the objectives of policy for the next three years are to:
 - i) Achieve increases in real wages for union members;
 - ii) Achieve a Living Wage for all workers;
 - iii) Strengthen and extend collective bargaining;
 - iv) Achieve greater income security for union members through the strengthening of the award system and through adjustments to the award system to maintain and improve the standards in awards;
 - v) Reduce and overcome income inequality, and achieve improvements in equal pay;

- vi) Ensure adequate resourcing of wage increases in the directly-funded public sector and the salary-supplemented not-for-profit private sector;
- vii) Strengthen union organisation by actively involving and recruiting members, particularly young people, through campaigns for better wages and conditions;
- viii) Strengthen delegates rights and achieve Paid Education Leave for union activists;
- ix) Achieve security and portability for workers' accrued entitlements;
- x) Achieve a fairer distribution of economic wealth;
- xi) Achieve improvements in superannuation contributions in order to ensure adequate retirement incomes.

2.2 These objectives will be pursued through collective bargaining, the Living Wage, a continuing commitment to the award system and a continuing commitment to industry superannuation funds.

2.3 Unions support additional options in the wages system including:

- i) The ability to bargain collective agreements binding more than one employer, whilst recognising the needs of particular industries and enterprises;
- ii) The capacity to settle collective agreements for multiple workplaces which are the component parts of a corporation;
- iii) The capacity to bargain and settle collective industry-wide agreements such as the contracting industry especially security and cleaning; and
- iv) The capacity to ensure award rates of pay constitute relevant and effective minimum standards in the context of the industry.

2.4 Collective bargaining campaigns, involving the widest unity amongst workers in enterprises, corporations, industries and regions will be important in the achievement of the above objectives. Active and effective delegate networks must continue to be developed.

3. Collective Bargaining

3.1 Collective bargaining campaigns will be the key method for achieving improvements in wages and employment conditions for union members.

3.2 Unions are committed to bargaining on a collective basis because of the inherent inequality in bargaining power between individual employees

and their employer. Attempts to undermine collective bargaining and employee entitlements through the use of individual 'agreements' such as AWAs will be opposed.

3.3 Bargaining will not be narrowly focussed but seek to improve living standards and the quality of working life. Bargaining which is about bringing people together to make gains is a key objective of unions. Bargaining issues need to be broad and relevant to the members. Some of the issues unions will pursue in addition to wages over the next three years include:

- i) Reasonable working hours;
- ii) Job security;
- iii) Improved work/family balance;
- iv) Protection and portability of employee entitlements;
- v) Improved regulation of, and conditions for, casual and contract employment;
- vi) Paid training leave for union members including trade union training leave.

3.4 Collective agreements will be a vehicle for further improvements in equal pay and the removal of discrimination in the workplace. The achievement of equal pay in overawards, equal access for women to training and higher skilled jobs, and equitable treatment of casual and part-time employees will be key objectives in bargaining at the workplace level.

3.5 Where unions agree, the ACTU will assist unions in an industry to form collective claims appropriate to the industry.

4. The Living Wage

4.1 The ACTU will maintain the Living Wage as a key component of wages policy. It is important for low paid workers, it is vital to the maintenance of relevant award standards, it ameliorates the widening inequality between the market and minimum rates, and it represents what unions stand for to the community.

4.2 The minimum target of \$10 per hour set by the ACTU for the Living Wage has been achieved. Since 1996 the Federal Minimum Wage has been increased by unions from \$349.40 to \$400.40.

4.3 It is essential in a decent society for an employee doing a full time job at full time hours to be paid a minimum of \$500 per week. For workers generally this means at least \$13 per hour. The rates of pay for many

union members are generally above this level, however many workers are far from achieving a Living Wage at this time. Achievement of decent living standards at a minimum of \$500 per week is the new Living Wage objective to be achieved over time.

4.4 The minimum union rate for the Living Wage of \$500 per week (or just over \$13 per hour) will be pursued over time by bargaining and through the Living Wage case. Unions and the ACTU will continue to press for increases in minimum award rates that secure the minimum targets of \$11 and \$12 per hour, as steps in the achievement of a long term objective of \$500 per week (or \$13 per hour).

4.5 The Living Wage is based upon the following broad principles:

- i) The right of workers and their families to a decent standard of living;
- ii) A fairer and more equitable distribution of economic growth and productivity, which reduces income inequality;
- iii) Reference to bargained/market rates in the setting of minimum award rates;
- iv) The retention of consistent skill-based classification structures;
- v) A fair balancing of work and family responsibilities;
- vi) The improvement of employment and income security;
- vii) The achievement of equal pay.

4.6 Unions reject the proposition that minimum wages should be held down in the hope that this will maintain low inflation and reduce unemployment. The evidence shows that reasonable increases in minimum wages do not force up inflation nor cost jobs.

5. Coalition Government 10 Per Cent Goods and Services Tax

5.1 Introduction of the Coalition Government 10% Goods and Services Tax on 1 July 2000 will impact upon the living standards of Australian workers and hurt the lowest paid in the community.

5.2 The ACTU will monitor the impact of the GST on the Consumer Price Index. While no union or worker wishes to see inflation on the rise, nor interest rates to increase, unions will ensure that members are not disadvantaged by the GST.

5.3 The ACTU will pursue an application in the Australian Industrial Relations Commission for compensation for GST induced price increases in award covered allowances.

6. Awards and the Protection of Wage Levels

- 6.1 Unions are committed to the protection of workers through the award system. The maintenance of comprehensive and relevant awards is a central objective of wages policy. Award rates of pay are not relevant if they are so far below the market they have no practical effect.
- 6.2 The strengthening of awards provides the link between the activism of bargaining and the universality of the award system.
- 6.3 For workers dependent on award rates comprehensive and relevant awards will be a key method of pursuing wage increases. Social wage improvements can also improve the living standards of the low paid and their families.
- 6.4 Unions support additional options in the wages system including the capacity to ensure award rates of pay constitute relevant and effective minimum standards in the context of the industry.
- 6.5 This flexibility would provide greater fairness and equality and reduce the ability of employers to compete on the basis of inferior wages.

7. Equal Pay

- 7.1 Continuing improvements in equal pay will be sought through:
 - i) Maximising award rates through the Living Wage and other appropriate cases;
 - ii) Opposing individual contracts which generally have been used to disadvantage low paid workers, including many women;
 - iii) Addressing casual loadings and part-time conditions ensuring casuals are properly compensated and that part-time workers receive proper hourly rates of pay;
 - iv) Ensuring bargaining addresses any existing inequities between male and female wage rates;
 - v) Monitoring the outcome of the NSW Pay Equity Report in the NSW Industrial Commission and proceedings in other State jurisdictions;
 - vi) Assisting affiliates to pursue applications for equal remuneration under the Workplace Relations Act wherever unequal remuneration is identified;
 - vii) Investigating the use of anti-discrimination legislation to address examples of pay inequity.

7.2 The defence of awards is also vital in ensuring that equal pay does not deteriorate.

8. Pay Equity for Young Workers

8.1 The ACTU and unions will continue to campaign for the abolition of age – based rates of pay by:

- i) Encouraging collective bargaining claims for wage structures based solely on skills and the ability to perform work;
- ii) Support for affiliates making claims for the removal of aged based rates of pay from awards;
- iii) Raising the discrimination issue in the public debate in the community; and
- iv) Lobbying for legislative change in co-operation with other groups representing students and young workers.

9. Industrial Legislation

9.1 The industrial legislation policy deals with the legislative changes relevant to wages, superannuation and collective bargaining policy.

10. Superannuation

10.1 The campaign by trade unions since 1986 has achieved a superannuation system characterised by universal access, good returns on members assets, low fees and charges and equal employer and employee representation on trustee boards. From July 2000 the Superannuation Guarantee Charge will provide 8% contributions for Australian workers.

10.2 In order to ensure adequate retirement income for all workers, the ACTU will continue to build support for increasing contribution levels to 15 per cent, without trade-offs, over an appropriate period of time. This support will be built through bargaining, and consideration of the changes required in legislation and Government policy.

10.3 In order to maximise superannuation benefits, the ACTU also supports:

- i) Maintenance of superannuation provisions in awards including regulation of fund choice;
- ii) Requiring contributions to be made on a monthly basis and requiring fund managers to notify members of non-compliance regarding contributions;

- iii) Regulations to prohibit the charging of commissions on Superannuation Guarantee Charge contributions;
- iv) Full and transparent disclosure of all fees and charges by funds so as to allow for accurate comparisons to be made.

10.4 The ACTU and Unions continue to support Industry Superannuation Funds which have introduced cost efficiency and lower administration fees. Fund choice should continue to be specified in awards and agreements.

10.5 The ACTU and Unions will act to ensure that employers do not unduly influence an employee's choice of superannuation fund.

11. Future Development of Wages, Superannuation and Collective Bargaining Policy

11.1 Having identified the above issues for immediate action and activism, unions recognise the need for concerted development of future policy.

11.2 The Wages Committee of the ACTU will oversee the development of policy over the next three years, reporting to the Executive.