

Future of Work
Wages and Collective Bargaining
Policy
ACTU CONGRESS 2003

Policy Framework

1. Congress reaffirms that:
 - (a) Union organisation and collective bargaining must remain the primary means by which unions achieve fair wages and employment conditions for union members. Congress notes that union members earn 16% more than non-unionists on average, and that union members have greater access to leave, superannuation and other employment conditions.
 - (b) Awards must continue to play a crucial role in underpinning bargaining, with the objective of achieving wage justice for those unable to bargain. Congress notes that award minimum rates have been increased by at least \$48 per week since the last Congress.
 - (c) The role of unions in organising collectively raises standards for all Australian workers and therefore assists in achieving broader social justice objectives. By extending union gains to all workers the exposure of strong union sites to the downward pull of wage competition and incentives to de-unionise is diminished.
 - (d) Under the Workplace Relations Act enterprise bargaining is the primary means by which unions achieve wages and conditions for union members over and above the award safety net. Congress is concerned that the relevance of the wage floor provided by the award system has declined over recent years and that inequality has increased.

Overall Objectives

2. The broad objectives of wages policy over the next three years are to:

- (a) achieve real wage increases for union members;
 - (b) achieve substantial improvements in award minimum wages;
 - (c) build and extend collective bargaining;
 - (d) improve pay equity for women;
 - (e) investigate and address the crisis of low pay;
 - (f) remove wage discrimination impacting upon young people, casual workers and others;
 - (g) build union membership and organisation through campaigns over wages and employment conditions; and
 - (h) build and extend portability and security of entitlements, particularly on an industry or sector basis.
3. These broad objectives are to be pursued through collective bargaining, the award system, legislative and public policy change and campaigns in the community.

Collective Bargaining

4. Congress commits to the following principles in relation to collective bargaining:
- (a) The need for legislative change to guarantee the right to collectively bargain and facilitate multi-employer and industry-wide agreements.
 - (b) A co-ordinated approach to bargaining, with maximum involvement of delegates and members.
 - (c) Priority given to the achievement of equal remuneration for work of equal value for women.
 - (d) Inclusion of claims, consistent with other Congress decisions, for improved hours of work, increased job security, improved conditions for casuals and other workers with precarious employment, better work and family balance, delegates' rights, protection and portability of employee entitlements and paid training leave.

- (e) Adequate resourcing of wage increases achieved through collective bargaining in the public sector and the publicly funded not-for-profit private sector.
 - (f) A concern at the effect on bargaining of employer-based individualised performance pay systems.
5. In collective bargaining unions will seek to achieve wage outcomes that, as a minimum, maintain the real value of wages and which secure a fair share for workers of productivity growth and improved profitability or efficiency.

The Award System and the Crisis of Low Pay

6. Congress reaffirms award rates of pay as a key component of wages policy in that:
- (a) award rates under current industrial relations systems provide some measure of protection to award dependent workers; and
 - (b) increases in award rates reduce the gap between award and agreement rates of pay.
7. Congress recognises that there is now a crisis of low pay in Australia. Half the new jobs created during the 1990s pay less than \$300 per week. This is the result of the low rate of pay in many industries, the declining relevance of the award system, and the precarious nature of much casual, part-time, fixed term and contracting work.
8. Income inequality has also grown. The real value of wages for many low paid workers has declined over the last decade while pay for managers has grown by over 40% in real terms. There has been an explosion in the level of executive salaries that has seen average Australian CEO's push their earnings from three times the average wage in 1976 to over 30 times the average wage in 2003.
9. While in recent years the real value of award minimum rates at the lower classification levels have been maintained and increased, Congress is concerned at growing income inequality between award dependent workers and those covered by agreements, together with the continuing plight of the low paid.
10. The ACTU and unions are committed to restoring the relevance of award rates of pay through:
- (a) the inclusion of bargained/market rates in awards;
 - (b) national wage case applications;

- (c) campaigns to lift minimum rates of pay; and
 - (d) the determination of fair Federal Minimum Wages based on an investigation of what it takes for workers and their families to participate fully and with dignity in Australian society.
11. Congress resolves to continue to:
- (a) Substantially lift the real value of award minimum rates through national wage case proceedings.
 - (b) Aim to exceed the pre-existing Congress target of at least \$13 per hour or \$500 per week in the Federal Minimum Wage as soon as possible, and ensure that workers and their families can participate fully and with dignity in Australian society by aiming for a new target of \$14.50 per hour or \$550 per week.
 - (c) Oppose the proposition that minimum wages be frozen or restrained on the basis of creating more jobs and containing inflation.
 - (d) Broaden efforts to achieve minimum wage improvements through public campaigning aimed at highlighting the position of the low paid, and mobilising workers and others in the community to demand greater wage justice.
12. To complement these measures the ACTU and unions will support a comprehensive independent industrial inquiry into low pay. The inquiry would examine:
- (a) the causes of low pay and inequality;
 - (b) the wage levels needed to achieve a decent standard of living;
 - (c) the role played by job insecurity, casual employment, labour hire and contracting;
 - (d) the impact of enterprise bargaining; and
 - (e) the levels of executive salaries and the fairness of the various forms of income setting for all levels of the workforce.
13. This inquiry will be conducted in an industrial context and will be used in national wage case proceedings to support the determination of fair Federal Minimum Wages. Fair Federal Minimum Wages will allow workers and their families to participate fully and with dignity in Australian society. This industrial inquiry will provide an avenue for low-paid workers to advance their arguments for fair minimum wages.

The inquiry will hear from low-paid workers in forums across the country. As such, the inquiry will provide a focus for organised low-paid workers to have their voices heard. The inquiry will also be open to community organisations to present evidence on the needs of low-paid workers. Affiliates are encouraged to take the debate about these issues out to their members, and to establish linkages with community groups who share a concern about the crisis of low pay in Australia.

14. Congress also recognises that low paid workers are particularly affected by the social wage, which includes tax and social security policy and the provision of public services including health, education, housing and transport. Congress will also campaign for social wage improvements to lift the living standards of low income households.
15. Congress supports an ACTU-initiated needs analysis to assist in determining the income required in order for workers and their families to live decently. Research to obtain information regarding the relevance of award rates compared to actual rates prevailing in the community generally should also be undertaken.
16. Congress calls on all affiliates to actively assist these efforts, in particular through provision of relevant evidence and through participation in public campaigns in support of ACTU claims.

Award Relativities

17. Congress views with concern the growing compression of relativities in award classifications. Although flat money minimum wage increases have assisted those on the lowest classifications, there is a growing danger that the relevance of awards will diminish further at classifications of trade level and above.
18. Congress supports the resetting of award relativities to maintain the relevance of skill-based classification structures, particularly for award dependent workers, and to restore awards so that they effectively and fairly underpin bargaining and that they support organising.
19. Congress recognises that without legislative change to provide for a more flexible award system, it is difficult to address the issue of skill relativities. However, Congress resolves to continue efforts to assist affiliates to develop a co-ordinated strategy for achieving fairer skill-based relativities based on work value and other relevant grounds.
20. The ACTU has convened meetings of relevant unions, which determined that before a case could be conducted in the Commission, research would be required into changes in work value in key awards, movement in market rates and potential for counter applications by

employers and the Commonwealth which could undermine award structures in other areas.

21. Affiliates are urged to assist with this research by providing information on key classification definitions and rates to the ACTU as requested.
22. Congress recognises that continuing flat dollar national wage case outcomes without any action to repair award relativities is not sustainable. The ACTU and unions will support a case(s) at an appropriate time to address this issue and to avoid further deterioration of award career paths and relativities.

Pay Equity

23. Congress notes that progress in narrowing the gender pay gap has stalled, and that when all modes of employment are considered the gap between average male and average female earnings has widened over the past decade.
24. The ACTU will continue to monitor growing pay inequity on an industry basis.
25. Improvements in equal pay will be sought through:
 - (a) Maximising award rates through the Minimum Wages Case and other appropriate cases.
 - (b) Opposing individual contracts which generally have been used to disadvantage low paid workers, including many women.
 - (c) Achieving greater rights for casuals and part-timers, including the right to convert to permanent status, appropriate loadings and proper hourly rates.
 - (d) Ensuring bargaining at all levels addresses any existing inequities between male and female wage rates and that new remuneration practices such as performance pay are transparent, free of gender bias and reward work value.
 - (e) Considering ways to extend the understanding of undervaluation of women's work identified in the NSW and Queensland Pay Equity Inquiries into the federal jurisdiction.
 - (f) Assisting affiliates to pursue applications for equal remuneration under the *Workplace Relations Act*.

- (g) Investigating the use of anti-discrimination legislation to address examples of pay inequity.
 - (h) Considering the most effective means to introduce pay equity audits into Australian workplaces.
 - (i) Encouraging affiliates to campaign for pay equity at the workplace and in the community by providing regular updated information on pay inequity.
 - (j) Ensuring that pay equity is included in the education programs of the ACTU.
26. Congress notes that the defence of awards is vital in ensuring that equal pay does not deteriorate.

Indigenous Workers

27. Congress urges unions to develop claims for minimum entitlements and conditions around Indigenous employment for inclusion in all awards and agreements.