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Gender pay gap to widen under proposed changes to workplace laws

The record high 18.2 per cent gender pay gap is expected to blow out by a further 2 per cent under the Government's proposed changes to workplace laws due before the Senate this week.

ACTU President Ged Kearney said women face particular risk of being exploited under Individual Flexible Arrangements (IFAs), which are a key part of the Abbott Government's Fair Work Amendment Bill.

"These arrangements are individual contracts that let employers use women's caring responsibilities against them by forcing them to trade off penalty rates for the ability to pick up their child in time from childcare, for example.

"Now the Government wants to go even further by making employees sign a statement that will mean they can't get compensation if they've been underpaid as a result of trading off entitlements under an unfair agreement.

"Currently it's the employer's responsibility to make sure the employee is better off overall on an individual contract, but the Government is trying to change the law so workers must sign a statement that puts the responsibility on them – not their employer."

Ms Kearney said the proposed changes to these individual agreements are very similar to the highly unpopular Australian Workplace Agreements (AWAs) introduced under Workchoices.

"What we saw under AWAs was a 2 per cent widening of the gender pay gap. If the Government succeeds in passing the Fair Work Amendment Bill, the already record high 18.2 per cent pay gap will blow out even further, just as it did under AWAs.

Ms Kearney said the Abbott Government's push to water down protections and increase opportunities for employers to lower pay and conditions is a direct attack on women's wages.

"The majority of workers who will be signing individual agreements under the proposed changes will be women. Many will be low paid and they will be under pressure to keep their jobs.

There is already evidence that employees are being forced to trade away monetary entitlements in individual agreements. This includes:

- Medibank Private offered IFAs allowing people to work from home provided they give up their entitlement to overtime rates.
- The Spotless Group forced employees to sign IFAs that waived their right to overtime rates and seven days' notice of a shift change on the basis it would give workers 'the opportunity to earn a higher income'
- The Commonwealth Bank included IFAs in its contract of employment, leading employees to believe that it was a condition of employment that they sign the IFA

"The proposed changes to the Fair Work Act make individual agreements even worse and will see Australia go backwards on the vital issue of gender equality."

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