



Legislative Council

Industrial Relations Bill Hansard

Extract

15/10/91

The Hon. Dr MEREDITH BURGMANN [6.8]: It is customary in these speeches to express one's appreciation to a number of people at the beginning of one's speech. Accordingly, I would like to thank those whose lives and struggles have led to my involvement in the political process over the past 25 years and to my eventual appearance in this Chamber. First, I have to mention the valiant struggle of the people of Vietnam against external aggression. Their struggle was the major cause of my transformation from an unthinking North Shore schoolgirl who believed that Sir Robert Menzies was a great man into a socialist internationalist who believed that Sir Robert

Page 2015

Menzies had probably misled the nation on a number of important issues. Once your world view has been fractured as severely as mine was by the bombing and napalming of Vietnam, then other pieces fall into place. The struggle of black South Africans and Aboriginal Australians for basic human rights became very important to me. In 1971 we were confronted with a coalition government that provided the resources of the Royal Australian Air Force to an all-white South African rugby union team when the ordinary working people of Australia had withdrawn their services from these ambassadors of racism. It is depressing to realise that 20 years later the most basic right of all, the right to vote, has still not been won by the black people of South Africa.

I am proud to be in the party that granted the first Aboriginal land rights but am sad that further progress has not been made in that area. However, probably the greatest influence on my political ideology has been my experience with the trade union people of this State, which is why I am pleased to be speaking against this bill. The New South Wales Builders Labourers Federation in the late 1960s and early 1970s showed me what a truly democratic and socially responsible union could be like. It was the men and women in that union - and there were women in the building industry in those days - these ordinary workers, many of them from non-English speaking backgrounds, who saved the city of Sydney from the ravages of the hot money multinational investors of the 1970s. The Rocks would be a canyon of skyscrapers, Centennial Park would not exist and most of Woolloomooloo and Glebe would be devastated without the green bans of the New South Wales Builders Labourers Federation. By the BLF I mean the democratically elected leadership of Jack Munday, Joe Owens and Bob Pringle, not the Norm Gallagher inspired leadership which was foisted on the building workers of New South Wales by the Master Builders Association and the Government of that day.

Beginning with the BLF, followed by my experiences as a trade unionist in the Academics Union and as a delegate to the Labor Council and then to the Australian Council of Trade Unions, I came to understand that the trade union is the only thing that stands between the individual worker and the arbitrary and irrational actions of the individual boss. Unionism is not just about wage fixing and mass strikes; it is about stopping Mary Bloggs being robbed of her holiday pay or Joe Citizen being sacked without reason. Unless we believe that all bosses at all times are warm and wonderful human beings we know that unionism remains necessary. It is my great fear that this bill is the first step on the road to union obliteration. I also discovered that being an active unionist can put your career and working life in danger. This experience gave me an understanding of the problems faced by my grandfather, Bishop Burgmann, who faced the wrath of the ruling class and was vilified in parliament and during the Petrov royal commission when he openly supported trade union activity and the right of all workers to organise. However, a statement of my ideological position is deficient without mentioning the influence of the women's movement. I am an unashamed socialist feminist. Since the late 1960s I have become increasingly distressed at the slow pace of change in women's lives, particularly their working lives. Much of what I have to say about the Industrial Relations Bill stems from my concern about women's place in society.

I make my first remarks in this Chamber with a sense of despair that the trade union movement in this State is fighting a battle which we thought was won 150 years

Page 2016

ago. The right to organise, the right to strike and the right to win better wages and conditions for workers are under attack in this bill. In some senses the very right to exist is threatened. There are two important reasons why it is appropriate that my first speech in this Chamber concerns industrial legislation. First, I am here in this Chamber as a result of my trade union activities. Second, for the past 17 years I have taught industrial relations in the university system and for the past 10 years my particular area of academic interest has been the problems surrounding women's wages and the causative factors involved in what we call the wages-gender gap.

The Industrial Relations Bill 1991 will turn back the clock irreversibly in the fight for equal pay for women workers. When Professor John Niland produced his infamous green paper in February 1989 it was entitled "Transforming Industrial Relations in New South Wales". Boy, did he seek to transform industrial relations. There has been much debate about whether Niland set out with a New Right agenda or whether he coincidentally came up with proposals that would lower wages and break unions. I am of the opinion that Niland was simply a naive player in a game he did not understand. Niland went to Harvard 20 years ago and came back as an unashamed collective bargainer. He looked at the American system and saw it as terrific. Then he sought to transpose it in an entirely unadulterated form to the New South Wales laboratory. However, there are major problems with this naive view of the industrial relations system in New South Wales. Do we in New South Wales want the American system of high waged, highly unionised areas of industry along the western and eastern seaboard contrasted with non-unionised, poverty waged, "runaway" industries in the Deep South and the mid-west? The relativities gap in America is 10 times that in Australia. Do we want petrol tanker drivers to earn \$4,000 a week and shop assistants to earn \$400 a week? Do we want that sort of society? That is what we will get with this bill.

The bill seeks to extend the provisions of the enterprise bargaining Act of 1990 so that the final bargain faces even less public interest scrutiny - if that is possible - than it did under the 1990 bill. Let me put my fears about

the enterprise bargaining aspects of this bill in context. To understand why I argue that this bill will put back the fight for equal pay one has to understand the position of women workers in today's society. The real problem with talking about women's wages is that the public and the media believe that we already have equal pay in Australia. The national wage bench decision of 1969 granted equal pay for equal work and in 1972 that was refined to equal pay for work of equal value. After these two decisions women's pay jumped from 65 per cent of men's pay to 79 per cent for every hour worked. These figures do not include factors such as overtime or part-time work. What we are actually talking about with these figures is the hourly rate for the job. However, women's pay has increased only gradually since then. The latest Australian Bureau of Statistics figures indicate that women now earn 84.5 per cent of the male rate. In other words, men get a 15.5 per cent bonus simply for being male.

Most of the gap between men's and women's wages, which we call the wages-gender gap, relates to where women are located within the economy. Affirmative action strategies will be only partially successful in addressing the wages-gender gap because

Page 2017

equal opportunity can be effective only where there is some sort of career structure to begin with. The vast majority of women in Australia work in what are called flat occupations, where there is no vertical career path. An obvious example of a flat industry structure would be 50 women on a chicken processing line with one, probably male, supervisor. Equal opportunity strategies solve the problem only for the individual who can progress out of an area of work. However, this still leaves a class of low-paid work which will still inevitably be done by women. Similarly, the strategy of encouraging women into non-traditional occupations can be only partially successful. While solving the problem for the individual girl or woman who decides to be a plumber rather than a hairdresser or an engineer rather than a nurse, it does nothing to solve the problem that certain classes of work have low status and low pay. As Clare Burton, who is now the Director of Equal Opportunity in Public Employment, has pointed out time and again in academic articles, those areas of work are low paid and low status because they are done by women; not the other way round.

The best example of this I have ever seen was given by the women in New Zealand. I wish I knew how they did it but on the front page of the newspapers they got a picture of a female child care worker holding a baby and a male zookeeper holding a gorilla. The award wages of both were published underneath. Of course the male zookeeper was being paid twice as much as the female child care worker. So where are these areas of low-paid, low-status work and why is enterprise bargaining such a threat to the women who perform this work? Firstly, it is important to point out that Australia has the most sex segregated work force of the Organisation for Economic Co-operation and Development countries. Australian women are bunched into fewer industries and fewer occupations than women in any other Western industrialised country. If we think of our work force, we can immediately name the main areas of women's work. They are clerical, retail, and what is called personal services. These areas are inevitably the weakest, least unionised, least strategically important, most geographically diverse, and, when in manufacturing, the lowest value added manufacturing areas.

What I have just said should immediately alert honourable members as to why enterprise bargaining would pose a threat to these groups of workers. However, add to that description of women's areas of work a further description of women on the shop floor and one will begin to see the effect that enterprise bargaining will have on women's wages. Factors must be added, such as the low status that women on the shop floor generally have; women's socialisation to be accommodating and pleasant; their loyalty to the employer, especially when it is a one-to-one relationship, which is very common in women's work; women from non-English speaking backgrounds are less likely to have English language skills than men from non-English speaking backgrounds; the geographic diversity of women's occupations means that the possibility of harassment and victimisation by the employer is more likely than for men; and so on.

Workers on the shop floor are the weakest bargaining unit in any industrial system. It is not by accident that this New Right agenda calls for enterprise bargaining rather than centralised negotiations. Employers want to lower wages by changing overall hourly rates, and this is the way to do it. It is precisely the groups of women and low-wage workers I have been describing who have in the past been protected by

Page 2018

centralised wage fixing. Under centralised wage fixing the wage rises won by the strong unions are shared with the weaker areas of the economy. However, under enterprise bargaining outside of a centralised framework a market-driven free-for-all develops, most aptly summed up by the adage "The rich get richer and the poor get poorer".

It is important to point out the distinction between the two forms of enterprise bargaining which are being talked about in Australia today. This bill envisages a pure bargain - one involving individual workers on the shop floor with the employer - a bargain where the employee has nothing to sell but his or her labour power, and the employer, especially in a recession, has the choice of sacking the worker and employing another if the so-called bargain is not agreed to. It is easy to see why it is called a bargain - someone gets a terrific bargain. The other form of enterprise bargaining being talked about at the Federal level by the Australian Council of Trade Unions and the Federal Government is not technically enterprise bargaining. It is really overaward negotiations involving national unions which result in agreement at the enterprise level. Added to this is the proviso that award wages for those unable to negotiate a bargain will still be supplemented by a small money amount. In New South Wales, on the other hand, under this bill's proposals the final bargain is able to, and I contend will, fall under award wages and conditions.

We can all imagine the scenario of the manager of the biscuit factory saying to his staff, "Sorry dears" - they are all women - "but the factory is closing down next week unless you all agree to do your overtime at ordinary time rates". When faced with that sort of proposal often what looks like an agreement is really a gun to the head. How are those employees to know whether the employer is telling the truth about closing down the factory? Let us look at the two highly publicised enterprise bargaining negotiations that have already become the subject of media reporting. The first is the now famous Willies Family Restaurant at Ballina. The employer said the restaurant would close down unless staff went into a somewhat doubtful profit-sharing arrangement. In the *Sunday Telegraph* of 7th July it was reported:

After some initial doubts the staff voted unanimously to give up their penalty rates, 17.5 per cent holiday leave loading and half their sick pay.

All I can say about that as a bargain for employees is: Wow! The second case was less publicised and therefore it needed some tracking down to find out what actually happened. It involves another food outlet, the Pizza Hut; and it is no surprise that these bargains occur in what is called the personal services area. In a *Sydney Morning Herald* article of 9th September the

deal is launched with some razamataz and a spokesperson for the company announces that "No one is going to lose any money". However, by 11th September the *Sydney Morning Herald* revealed that because of the abolition of penalty rates an internal Pizza Hut document revealed that "some employees would have to work longer hours to maintain their average weekly income under its proposed award". If having to work longer for the same pay is not a cut in wages, what is?

The interesting thing about the Premier's industrial relations scenario is that those he most loves to hate will reap a bonanza and those he loves - that is, the so-called responsible workers such as shop assistants and child care workers - will be badly

Page 2019

affected. Who will gain from the provisions of this bill - the petrol tanker drivers, the builders labourers, Frank Belan's boys in the storemen and packers areas, those well organised industrially militant male areas. The villains of the New Right theology will do nicely under the provisions of this bill. With no cap to their wage demands, a pliant boss, money available in the industry, and no wage fixing guidelines at all except the bargain they can achieve, their wages will skyrocket. Relativities will expand enormously. The American system will be with us whether we want it or not.

Under a system of centralised wage fixing, on the other hand, the weak are protected by the strong. Whatever is won by the fitter eventually flows through to the child care worker. What will we end up with if a centralised wage fixing system is abandoned and productivity-based enterprise bargaining is relied upon? Let us look at what happened in Australia when industry by industry productivity bargaining was instituted in 1987 for the second tier 4 per cent increase in wages. In the August quarter of 1987 male wages rose by 1.9 per cent while female wages rose by 1.5 per cent. In the November quarter male wages rose by 1.6 per cent while women's wages rose by only 0.8 per cent. A woman's wage fell by more than twice a man's wage during the period of wage fixing. But we do not have to look only at the Australian experience. There is plenty of evidence from overseas about what happens to women's wages under decentralised wage fixing systems. Research has revealed that the more decentralised the wage fixing system and the weaker the trade union movement, the greater the wages-gender gap.

I became aware of this situation in 1989 when I was asked to speak at an international conference in Canada. The women there saw Australia as a shining example of how to fight for equal pay. With an unregulated wages system and a weak and divided trade union movement in Canada, the difference between men's wages and women's wages is 34.5 per cent for every hour worked. They have tried to address this problem with strong and proactive pay equity legislation but this measure has failed. Wages discrimination is essentially an industrial problem. Countries such as America, Britain and Canada, which have sought to solve wage discrepancies by legal or bureaucratic means, have failed. Complaints-based legislation cannot solve an industrial problem at the macro level. Individual women can achieve redress of grievance but the class of low paid work remains.

Finally, I wish to examine the situation in Japan - that country of the so-called great economic miracle and the home of enterprise bargaining. I often think that Premier Greiner woke up one morning and thought to himself: "Gee, look at Japan - look at all that productivity. Wow, they also have enterprise bargaining, so that must be the answer". Totally unaware of the fact that Japan's economic miracle has had many different historical, sociological and economic determinants, he then set about replicating the Japanese system of enterprise bargaining in New South Wales. If the enterprise bargaining envisaged by this bill is enacted here, over time we will witness a severe deterioration in women's wages. What is the wages-gender gap in Japan, the

Page 2020

home of enterprise bargaining? I will tell honourable members what it is. The wages-gender gap in Japan is the largest in the world. It is 44.3 per cent. For every hour worked in Japan women earn 44.3 per cent less than men. If honourable members want a more just and equitable society than that, they should not support this bill.