Australia: New reports reveal impact of Howard's IR laws

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6 October 2007

Recently released reports confirm that pay and longstanding working conditions are being ripped up under the Howard government's anti-worker industrial relations laws, WorkChoices, which became operative in March 2006.

Australia at Work, a report by the University of Sydney's Workplace Research Centre, claims "many employers have been quick to use the new WorkChoices legislation" to force thousands of employees onto Australian Workplace Agreements (AWAs).

AWAs are the statutory non-union individual work agreements at the centre of WorkChoices. They allow employers to dismantle a raft of key working conditions—including penalty rates, holiday leave loading and shift allowances.

Australia at Work, based on a study of 8,343 people, shows that workers pushed onto AWAs earned on average $106 a week less than those on collective agreements. It also reveals an increasingly precarious employment situation, with 15 percent of workers, or 1.5 million, having changed jobs since March last year. Of these, 60 percent were hired under a different type of agreement, with 10 percent on AWAs.

The report finds a majority of workers now believe they are expected to work "more for the same pay". Almost 57 percent of employees classified as professionals, and 55.5 percent of managers, believe their workload has intensified.

The report also confirms that workers in Australia have some of the longest working hours in the world, with more than one fifth working 50 hours or more a week. Miners, for example, work on average a 55-hour week. Some 21 percent of all employees said they wished they could work fewer hours.

Pointing to the highly coercive nature of Howard's industrial relations (IR) regime, the report found that, since AWAs were first introduced around a decade ago, some 46 percent of people on them claimed they had no opportunity to negotiate the agreement's contents. In the past year, 56 percent of the 177,000 people moved onto AWAs have had no negotiations.

The study found that non-negotiable AWAs are commonplace in many thousands of retail outlets, shops and franchises that usually employed between 20 and 300 people. Lead researcher on the study Dr Brigid van Wanrooy said that pay rates and conditions in WorkChoices AWAs are "more likely to be offered on a take-it-or-leave-it basis".

The *Australia at Work* report follows one released by the University of Sydney's Workplace Research Centre last month showing that workers in retail and hospitality industries have lost up to 30 percent of their earnings under AWAs.

The report, based on a survey of more than 330 AWAs registered in Victoria, NSW and Queensland, found 70 percent of the agreements had either removed or reduced casual loadings, weekend penalties and holiday loading—measures that are now legal under the new IR laws. At the same time, 80 percent removed annual leave loading, 76 percent removed Saturday penalty rates, 68 percent cut overtime rates and 55 percent removed paid breaks.

Low paid workers employed in retail outlets, liquor stores, fast food businesses, bakeries and restaurants have been the hardest hit—including waiters and bar workers who rely on penalty rates to boost their low base wage. The retail trade accounts for 18 percent of all AWAs and hospitality 14 percent.

Another study, *Report on Agreement Making*, by the Department of Employment and Workplace Relations, released on September 19, compared conditions of

workers on collective agreements with those on AWAs.

The study showed that only 7 percent of workers on AWAs are paid maternity leave as opposed to 15 percent on collective agreements, while 6 percent have flexible annual leave, compared with 17 percent on collective agreements. Only 2 percent of workers on AWAs have access to single days of annual leave, compared with 14 percent on collective agreements.

Evidence also emerged last week that conditions in some AWAs have been so onerous that the government's own Workplace Authority could not ratify them. They apparently failed the recently introduced, and extremely limited, "fairness test" that supposedly requires employers to provide compensation when they remove basic award conditions.

The "fairness test" legislation was introduced in May this year, more than one year after WorkChoices became operative, as a desperate measure by the Howard government to placate widespread hostility to its IR laws under conditions where opinion polls were pointing to a landslide defeat in the forthcoming federal election.

In reality, the "fairness test" only applies to agreements covering workers earning up to $75,000 annually, and excludes those placed on AWAs between March 2006 and May 2007—meaning it does not apply to some 2.5 million workers. The test's compensation requirements are so vague as to ensure that employers can still make massive inroads into working conditions. The sole stipulation is that employers offer fair "monetary and non-monetary" compensation for conditions lost.

Even so, this minimal interference has proven too much for some companies, including major fabrics and household retailer Spotlight, and the Australian Cleaning Contractors Association that represents 150 contract cleaning companies.

The Workplace Authority rejected individual work agreements introduced by Spotlight for over 400 of its employees . While the company's chief executive Stephen Carter claimed that the rejection was merely because "some pay rates were insufficient", the record gives a different picture. Spotlight, for example, wanted to place staff at a new store in western Sydney on AWAs that paid a weekly rate of just $543.40, while excluding shift allowances and a number of other benefits worth more than $90 a week.

The company has now indicated it will abandon AWAs, "at this stage", and negotiate a single collective work agreement with the Shop, Distributive and Allied Employees Association.

The Australian Cleaning Contractors Association's AWAs retained cleaners' low pay rates while at the same time slashing weekend penalty rates to a level that the association claimed "was more sensible". (Many cleaners in the industry earn less than $15,000 a year.)

The association's executive director John Laws claimed the fairness test rendered the government's workplace relations system "farcical" and "pointless". Laws confirmed the association was now considering "returning to the award system or enterprise agreements".

Clearly, both companies believe, and with good reason, that their best option is to deal through the unions to get the desired result. Over the past 15 years, under both Liberal and Labor governments, union-negotiated enterprise agreements have delivered massive concessions to employers—slashing working conditions and pay and accepting the growth of casual and contract labour.

The Liquor, Hospitality and Miscellaneous Union's current "Clean Start" campaign in the highly exploitative cleaning industry promises, for example, that the union will deliver a "high level of industrial harmony" in exchange for minimal pay increases and, of course, union coverage.

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