

Revitalising The Old to Make Anew ***A Sectoral Bargaining System for Australia***

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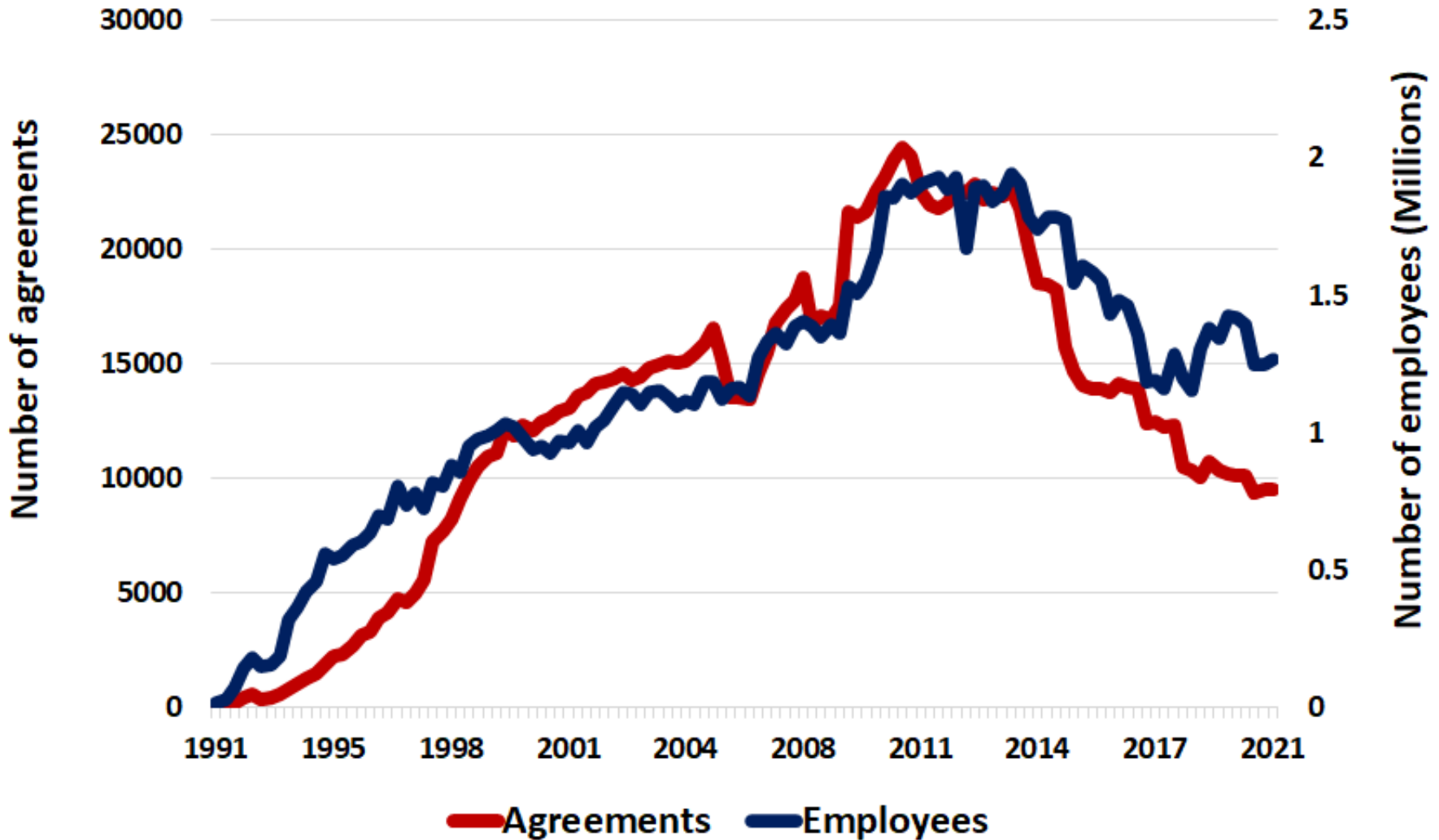
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The Problem: Enterprise Bargaining

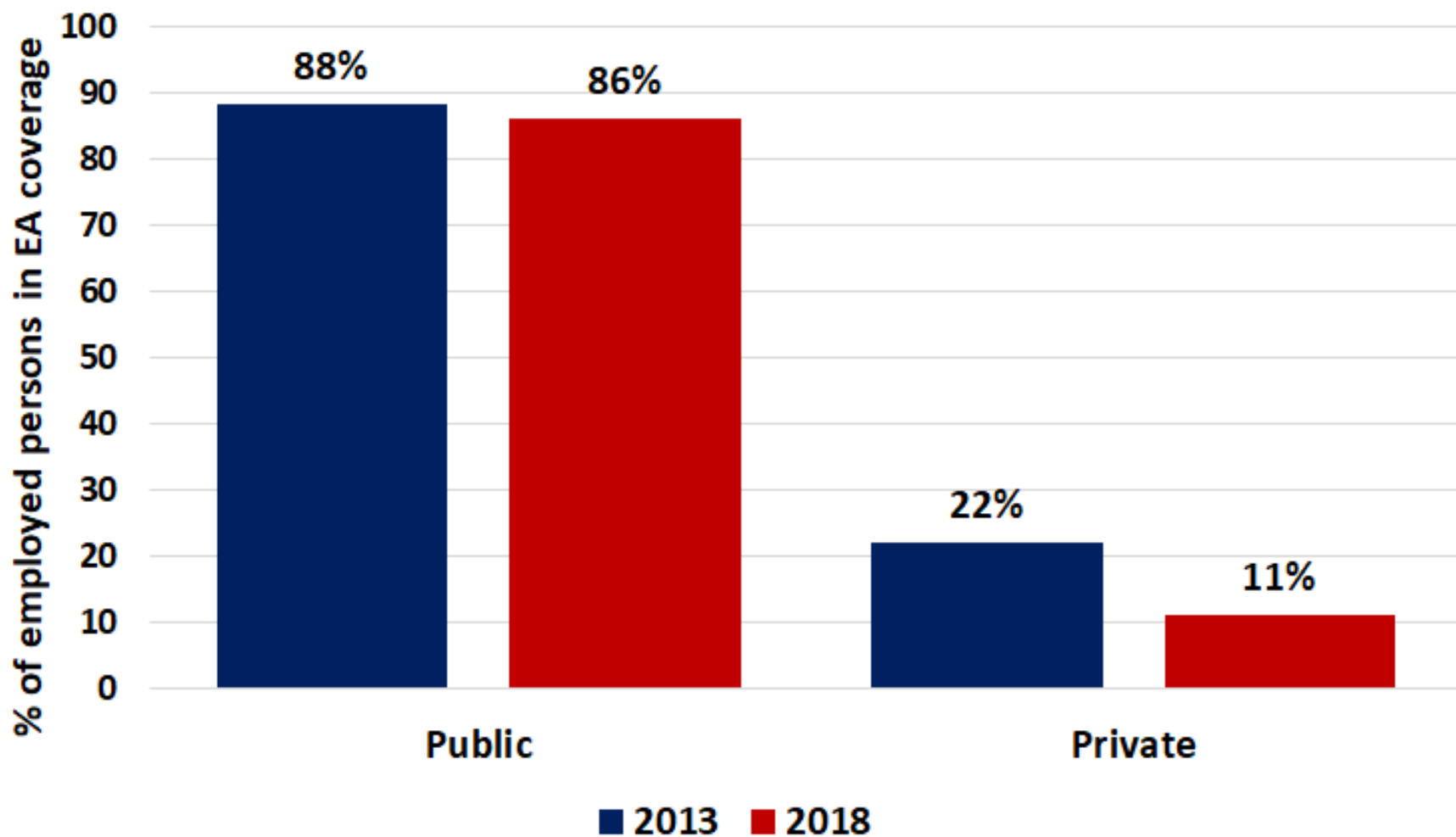
- Bargaining rights unreachable to majority of workforce.
- Union capacity to trigger & resource negotiations badly eroded.
- Whole EA system dependent on voluntary engagement by employers.
- Non-union EA-making, full-legal protection for free riding.
- Existing EA stock is polluted
 - Lacked negotiations, premised on employers undermining min provisions.

Declining EA Coverage

Private Sector: Number of Current EAs and Employees Covered 1991–2021



Percentage of Public & Private Sector Workers Covered by EA



Too Many Tables

Change in Business Count by Number of Employees 2004-21

| | 2021 | Change 2004-21 |
|--------|---------|----------------|
| 1-4 | 711,364 | +301,066 |
| 5-19 | 220,427 | +14,072 |
| 20-199 | 56,046 | - 20,848 |
| 200+ | 4,368 | - 1,097 |

Data: ABS Counts of Australian Businesses, including Entries and Exits, June 2017 to June 2021. Table 13a. * **Around 200,000 more non-employed businesses.**

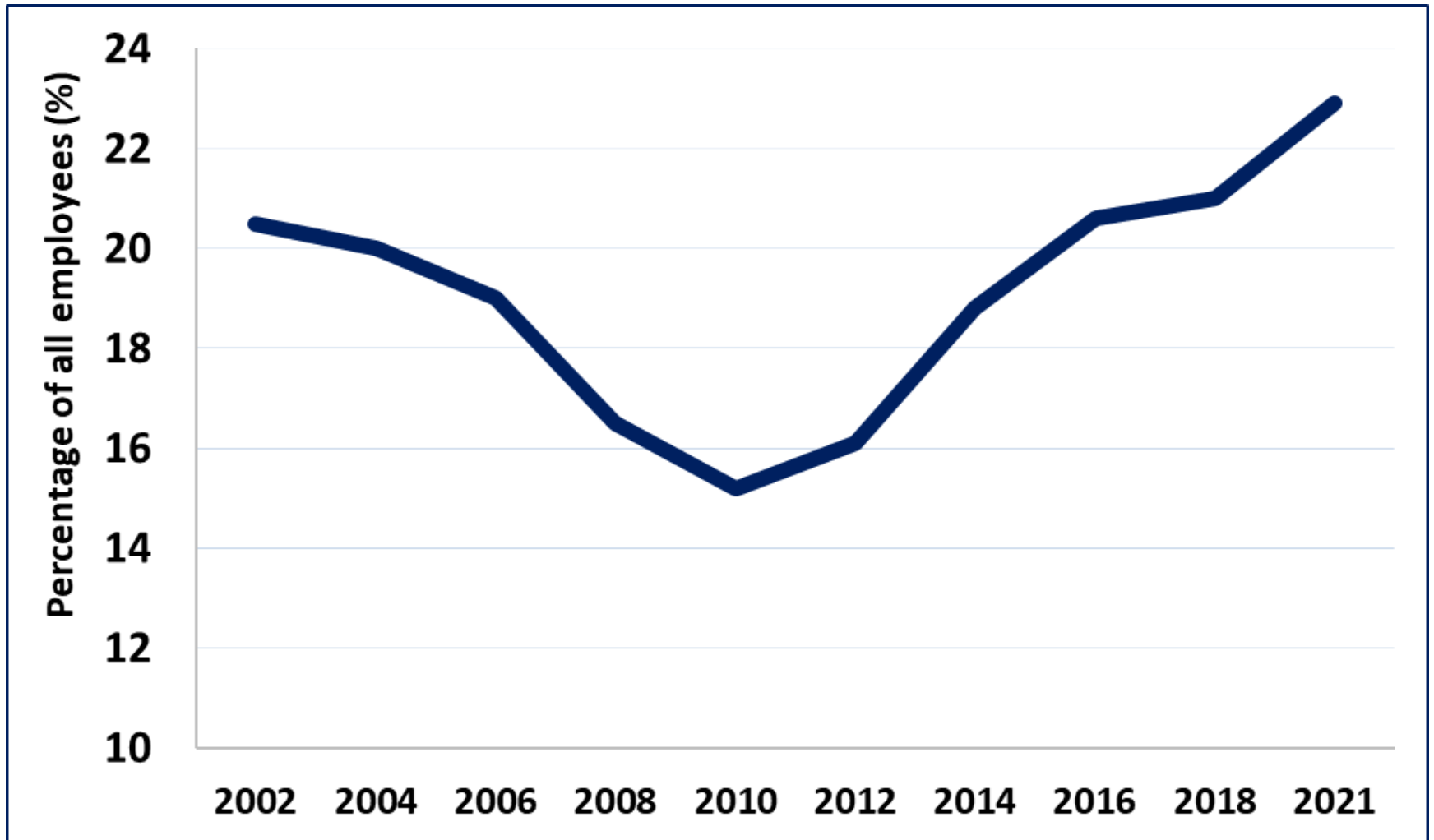
Consequences of EA Decline

- Since 2013, slowest wages growth since end of Second World War.
- Labour share of GDP record-low 46% (June 2021).
- **Growing reliance on Award minimums**
- Disappearance of industrial action
- Loss of employee voice
 - Implications for job satisfaction, turnover, productivity.

Refresher: Awards

- Simplification, modernisation
- Modern Awards from 1 Jan 2010.
- Codes of individual employment rights.
- 151 Modern Awards (most industry)
- Near-comprehensive private sector coverage.
- Covers all employees of “national” system (85% of employment)
- Contain provisions operationalising NES.

Award-Only Pay on the Rise



Awards Surpass Agreements

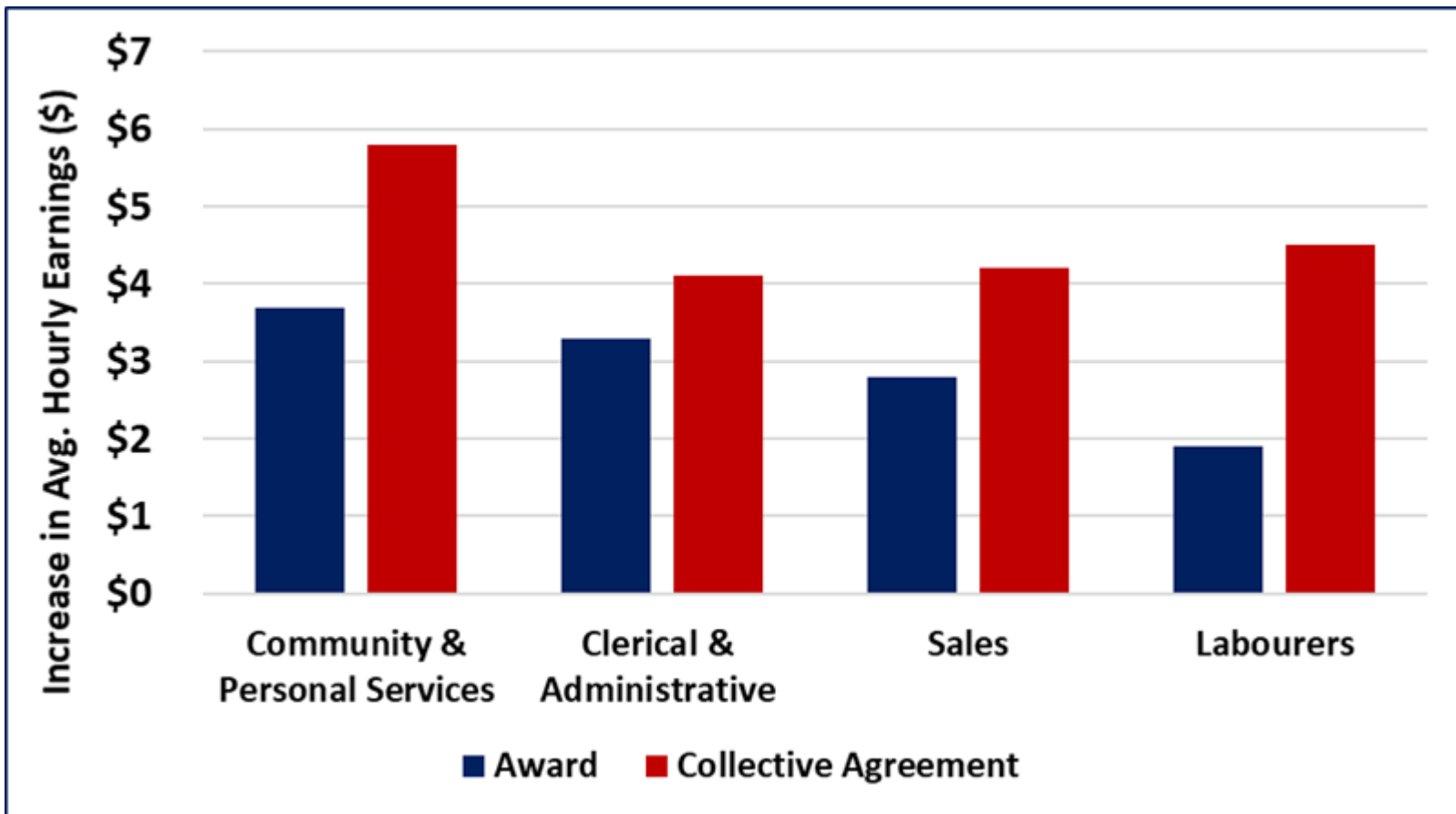
Table X. Method of Pay-Setting, Private Sector Employees

| | 2014 (%) | 2021 (%) | Change 2014-21 (% points) |
|---|---------------------|---------------------|--|
| Award | 21 | 25 | +4 |
| Collective Agreement | 30 | 24 | -6 |
| Individual Arrangement | 44 | 45 | +1 |
| Owner Manager of Incorporated Enterprise | 4 | 5 | +1 |

Data: ABS. Employee Earnings and Hours, Australia. All Employees.

Floors Expand, Lower Pay

Growth in Low-Paid Occupations Hourly Cash Earnings 2016-21 (\$)



Award Dependence in Low-Paid Sectors

Table X. Change in Coverage by Pay-Setting Method in Selected Low-Paid Occupations 2016-2021 (%-points)

| | Award | Collective Agreement | Individual Arrangement |
|-------------------------------|--------------|-----------------------------|-------------------------------|
| Community & Personal Services | +6 | -5 | -1 |
| Clerical & Administrative | 0 | -2 | +2 |
| Sales | +3 | -4 | 0 |
| Labourers | +5 | -6 | 0 |

“Shadows Of Their Former Selves”

- Back to principles...
- Stripped back to promote enterprise bargaining.
- Making & variation at total discretion of FWC.
- FWC variations since 2010 cut worker pay.
 - Moderate improvement in conditions.
 - Right to request flexible work, casual conversion, unpaid DV/pandemic leave.
- Employer/employee representation invisible.

Create Wage-Boosting, Not Stagnant Floors

- Refresh scope + wages and conditions of minimum industry standards.
- Reintegrate traditional bargaining.
 - 4-yearly reviews + work value but bargaining!
- Re-weight MW Objective criteria to facilitate bargaining.
 - Positive incentives for investment & productivity.
- Disputes? Mediation >> Industrial tribunal sets terms (NZ FPAs).

Multi-Employer Bargaining

- No derogation from sectoral agreement (Award)
- Facilitate bargaining between employees and direct & indirect employers.
 - Supply chain powers/“periphery” firms, franchisors.
- Substantive govt intervention on bargaining unit unnecessary.
- Employee thresholds:
 - 5000 or 10% of workers in a sector (US Clean Slate)
 - 1000 or 10% (NZ FPAs)
- Thresholds or public interest test trigger sector bargaining panel.
- Union membership preferences.
- Industrial action available.

Why Both?

- Awards have increasing importance in setting minimum conditions, especially low-paid & women.
- Increased women's workforce participation.
 - Eliminating structural wage penalties due to caring demands require government-mandated bargaining + public supports.
 - E.g. ECEC, paid parental leave, super boosts.
- Permanent changes in organisation of work:
 - E.g. Work from home.
 - Employer ownership of comms tech.
 - Geographical limitations to bargaining within and across employers.
- We don't have another 100+ years of conflicts to resolve into industrial instruments!

Widely Accepted Institution

Criminalising wage theft

Labor will do what's right and criminalise wage theft in Australia.



Conditions by Level of Regulation

Enterprise/multi- Employer Agreements

Above-Award wage rates, company/sector specific detail, membership preferences, flexibility, union consultation, specialised education & training, tech & comms.

Awards/Sectoral Agreements

Wage rates, penalty rates, annualised wage arrangements, allowances, leave loading, types of employment, ordinary hours of work, superannuation, variation of allowances, education & training rights.

NES

Max weekly hours, requests for flexible arrangements, parental leave, annual leave, personal carers leave and compassionate leave, community service leave, long-service leave, public holidays, notice of termination, redundancy pay.

Thank You!

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