

S106/86
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Tabled 18/7/06
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Employment Info Series

Info Sheet No.1.3 NSW Local Government Employment

- What is the difference between male and female full-time earnings in NSW local government?
- What will be the impact of federal industrial relations legislation on pay equity?

Employment Info Series
New South Wales Local Government, Clerical, Administrative,
Energy, Airlines & Utilities Union
Trading as the
United Services Union
Level 7, 321 Pitt St. Sydney NSW 2001

July 2006

ISBN 0-9580117-2-9
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(ABN 95 571 805 442)

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What is the difference between male and female full-time earnings in NSW Local Government?

The gap between male and female full-time earnings in NSW local government has been reduced from 18.4% to 4.4% over the past 20 years.

Striving for pay equity

The USU is committed to addressing pay equity issues in local government in NSW. The award restructuring process undertaken in the early 1990s introduced a skills based classification system which helped to address many, though not all pay equity concerns. Where the award skill descriptors are applied equitably, local government workers in areas such as libraries and child care should now be treated as equals in comparison with employees in equivalent male dominated occupations.

While there is still more to be achieved, data obtained from the Australian Bureau of Statistics suggests that significant progress has been made in narrowing the gap between male and female full-time earnings in NSW local government over the past 20 years. Some of the reduction in the pay gap may be attributed to efforts made by the Union to achieve pay equity outcomes but more research is also needed to determine the effect of other factors. For example, it is unclear how the overall difference in the average income of men and women has been affected by the down-sizing of particular work areas (such as outdoor labourer positions), technological change, organisational restructures and other structural changes which have taken place in local government in the last twenty years. Some of these changes have been discussed in earlier editions of this Info Series. But what we can be clear about is that the gap in pay separating male and female full-time earnings has been reduced significantly over the past 20 years.

In addition to this development, the Union was successful in obtaining paid maternity leave provisions into the Local Government (State) Award following protracted negotiations, conciliation before the Industrial Relations Commission and an extensive campaign across the state. The inclusion of this provision represented a significant achievement in addressing employment equity. Studies have shown that breaks taken by women, in order to have children, has a considerable impact on their earning capacity¹. In addition, research has shown that women employed in local government play both an important economic and caring role in their families².

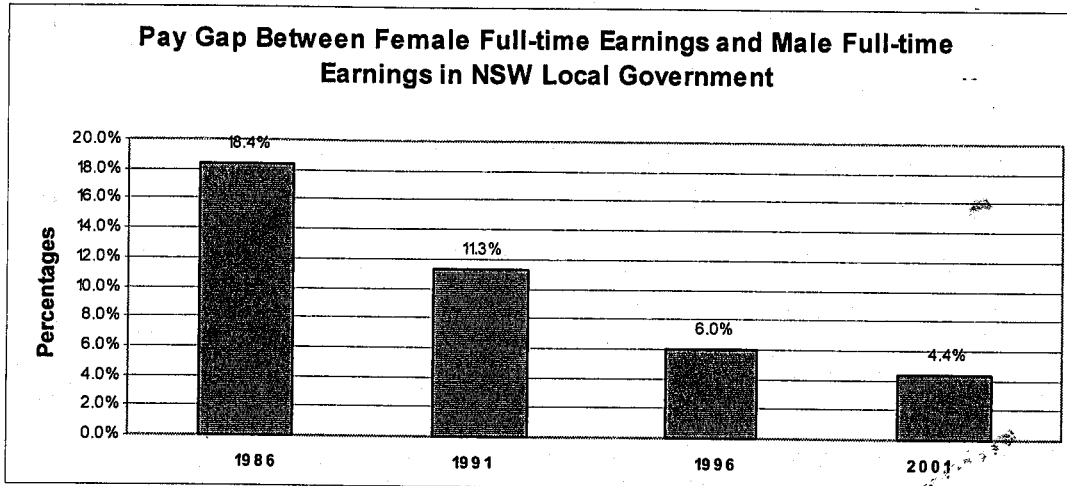
A successful pay equity claim was also brought before the NSW Industrial Relations Commission in 2004. The claim resulted in Professional/Specialist employees working in community services in local government having their hours reduced from 38 to 35 hours per week, putting them on an equal footing with their male counterparts. Whilst this case did not lead to an increase in weekly pay for most of the women affected, it did lead to an increase in their hourly rate of pay.

¹ Human Rights and Equal Opportunity Commission, *Pregnant and Productive: It's a right not a privilege to work while pregnant*, Report of the National Pregnancy and Work Inquiry, HREOC, Sydney 1999, p14f.

² L. Fraser, *Paid Maternity Leave in NSW Local Government: Employment Equity Aspects and Anticipated Take-up Rate*, Federated Municipal & Shire Council Employees Union of Australia, NSW Division, Sydney, 2001.

How has the gap between male and female full-time earnings changed?

- In 1986, full-time female workers earned approximately 18.4% less than full-time male workers in local government³.
- By 1991 this pay gap was reduced to approximately 11% of male earnings.
- By 1996 the gap had been reduced to approximately 6% of male earnings.
- By 2001 the gap had been further reduced to approximately 4.4% of male earnings.⁴

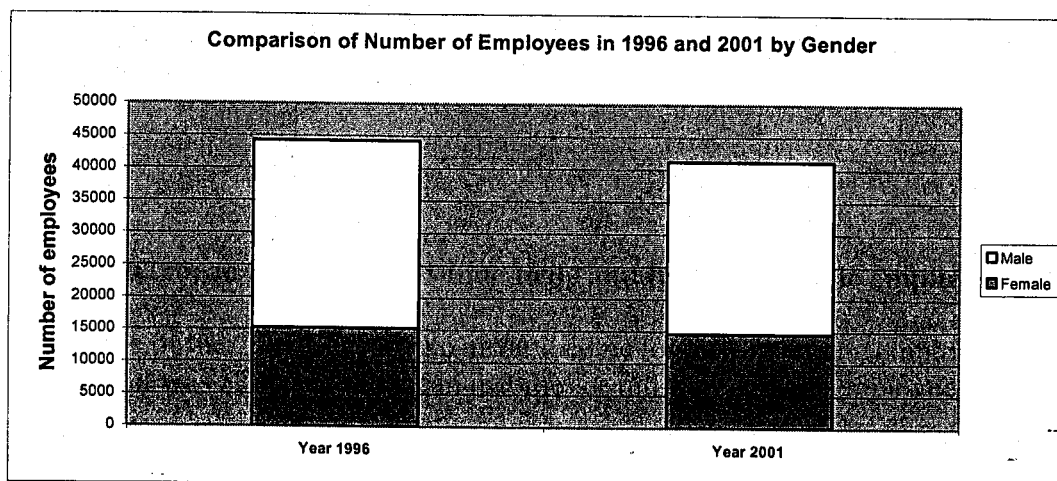


What is the mean income of full-time male and full-time female employees?

At the time of the 2001 Census, the mean income for full-time male employees in NSW local government was \$780 and the mean income for full-time female employees was \$740.

What is the proportion of males and females in the local government workforce?

Census data indicates that the total workforce in NSW local government reduced from approximately 44,300 in 1996 to approximately 41,200 by 2001. The reduction affected the overall number of male and female workforce but had a more pronounced impact on the male workforce - reducing their numbers more significantly than the number of females. The graph below indicates the gender mix of the reduced workforce.



³ Department of Local Government NSW, *The Largest Minority: Employing Women in Councils*, 1989:p3.

⁴ Australian Bureau of Statistics-Census of Population and Housing, drawn from customised tables based on 1991 Census, 1996 Census and 2001 Census data. Based on 2001 Australian Bureau of Statistics.

So, whilst the number of female employees was slightly reduced, the overall impact of the downsizing of the workforce meant that women increasingly comprise a larger proportion of the workforce. Indeed, in 1985 women comprised only 26%⁵ of the local government workforce in NSW, by 1996 it had increased to 34%⁶ and by 2001 it increased to 35%.⁷

What will be the impact of federal industrial relations legislation on pay equity?

At the time of writing this Info Sheet, it was increasing doubtful that the federal government's industrial relations legislation (WorkChoices) would have coverage over local government. But it seems increasingly likely that this issue will be decided in further proceedings before the High Court over the next 12 months (see USU update 17 May 2006).

The USU has been actively involved in the campaign against the radical federal legislation which threatens to wipe out hard won gains made by the labour movement over the past 100 years. If the federal government is successful with its industrial relations objectives, it is likely to lead to the loss of equity achievements made under the state industrial relations system. Some elements of the changes include:

- Shifting more workers into the federal industrial relations system with a diminished role for the Australian Industrial Relations Commission.
- The loss of skill based career structures.
- Further stripping of conditions and entitlements from awards, reducing award coverage and increasing the use of federally registered individual workplace agreements (AWAs).
- Loss of paid maternity leave as an allowable award matter.
- Increased uncertainty as a result of loss of unfair dismissal protections in workplaces of less than 100 employees or employer use of "operational reasons" in larger workplaces.
- Lost flexibility for balancing work and family life.
- Placing severe restrictions on the ability of unions to organise and represent members.
- The removal of the more effective 'no disadvantage test' when making agreements.

These aspects, and others raise particular concern with regard to gender equity because: The award system in New South Wales has provided a means through which a reliable safety net of wages and conditions existed in local government, regardless of the capacity of various groups to bargain. The new federal government WorkChoices legislation may deliver higher rewards to a small proportion of workers in a strong market position, but many workers (particularly young workers and women) will be worse off in this scenario. There is also increasing evidence that the gender pay gap widens through the use of individual contracts – AWAs⁸.

Recent advances in the area of pay equity and paid maternity leave in the development of the Local Government (State) Award show that the award system in NSW provided a genuine means through which advances in these important entitlements can occur. By contrast, the basic standard conditions provided under WorkChoices are inferior to those currently provided by the Local Government (State) Award and would not provide an adequate safety net.

In summary, women do better through collective bargaining processes but there are indications that the federal government's industrial relations legislation will result in gender equity taking a backward step.⁹

⁵ Department of Local Government NSW, *The Largest Minority: Employing Women in Councils*, 1989:p3.

⁶ Australian Bureau of Statistics, Customised table based on 1996 Census data.

⁷ Australian Bureau of Statistics, Customised table based on 2001 Census data

⁸ Refer Office of Employment Advocate report to Senate Estimates hearing 29 May 2006.

⁹ ABS Employee Earnings and Hours Cat No. 6306.0, May 2004.