



## LABOUR RELATIONS NEWSLETTER

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*A Newsletter to keep you up-to-date with labour relations issues in Western Australia*

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### INDUSTRIAL RELATIONS SOCIETY OF WESTERN AUSTRALIA'S ANNUAL CONVENTION 2010

Each year the Industrial Relations Society of Western Australia (IRSWA) holds a convention to discuss topical industrial relations issues.

The 2010 IRSWA Convention was held on 10 and 11 September 2010 at Rottnest Island with the theme being *WA is an Island*.

Approximately 100 delegates attended the conference, representing a diverse range of industrial relations practitioners, academics, employer representatives and unions.

Speakers considered the contention that WA is an island, by focusing on how the State

differs from and interacts with the rest of Australia in matters of industrial relations.

The speakers at the Convention were: the Hon. Bill Marmion, Minister for Commerce; Commissioner Danny Cloghan, Fair Work Australia; Tony Cooke, Managing Director, Metanoia Consulting; Professor Marian Baird, University of Sydney; John Makris, Middletons, Sydney; Ged Kearney, Australian Council of Trade Unions; Associate Professor Verena Marshall, Curtin University; Toni Walkington, Civil Service Association WA; Kim Richardson, Master Builders Association WA and; Professor Andrew Stewart, University of Adelaide Law School.

A wide range of industrial relations issues was discussed and the speakers provided various perspectives on the central theme of WA as an island.

Transcripts of many of the speakers' presentations will be made available via the IRSWA's website, under *papers and presentations*: [www.industrialrelations.com.au](http://www.industrialrelations.com.au)

The Labour Relations Division of the Department of Commerce was once again the Gold Sponsor of the IRSWA Annual Convention.

## EMPLOYER FINED FOR NOT PROVIDING WAGE RECORDS

A recent case in the Industrial Magistrate's Court is an important reminder to employers that there is a legal obligation to keep time and wage records and to provide these to industrial inspectors for the purpose of conducting employment investigations.

On 26 August 2010, a Carnarvon employer was fined \$500 with \$446 costs in the Industrial Magistrate's Court for failing to provide time and wages records to an industrial inspector.

The Magistrate also issued a court order requiring the employer to provide the records. If this order is not complied with, further proceedings may be instituted and may result in a daily penalty for any further failure to produce the records.

The Court found that, by failing to provide records, the employer had obstructed an industrial inspector from carrying out an investigation into a complaint by a former employee of the business for non-payment of wages.

The fine imposed was half that of the maximum penalty despite the employer having no previous record of breaching the industrial law – usually, in the case of first time offenders, the court imposes a smaller portion of the maximum penalty.

A [publication](#) prepared by the Department of Commerce provides information on employers' time and wage obligations.

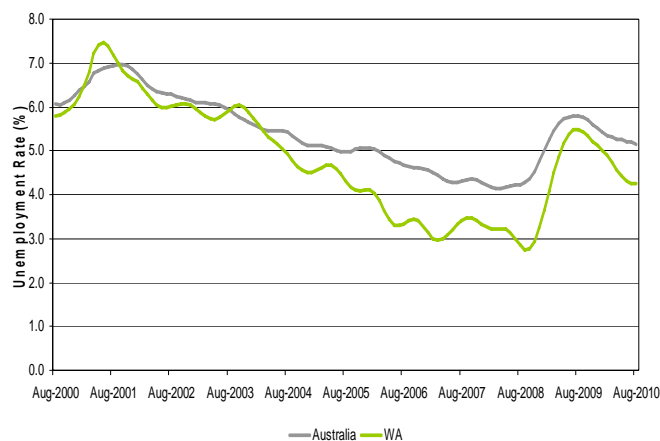
Further information on time and wages records can be obtained by telephoning Wageline on 1300 655266 or on the website at [www.commerce.wa.gov.au](http://www.commerce.wa.gov.au).

## LABOUR STATISTICS

This is an overview of the most recent data available in several key labour market indicators.

### *Unemployment rate<sup>1</sup>*

In August 2010, Western Australia's unemployment rate of 4.2% was the lowest when compared to all other states. This was a decrease from the unemployment rate of 4.3% in July. From August 2009 to August 2010 the number of unemployed persons in WA decreased by 13,900 to 54,300 persons. Nationally the unemployment rate remained steady at 5.2% in August 2010.



<sup>1</sup> ABS, *Labour Force, Australia, August 2010*, cat. no. 6202.0 (trend series, tables 1 & 8)

## Employment growth<sup>2</sup>

In the August monthly report, the number of employed persons in WA increased by 4,300 to 1,225,800 persons. From August 2009 to August 2010, total employment in Western Australia increased by 53,700 persons.

## Wage Inflation<sup>3</sup>

WA's wage price index grew by 1.0% in the June quarter 2010, taking annual wage inflation growth to 3.4%. WA experienced the second highest annual rate of wage inflation after Tasmania (3.7%) and equal to the Northern Territory (3.4%). Nationally, the wage price index grew by 0.6% during the quarter and the annual increase was 3.1%. Wage inflation in the WA private sector increased by 1.0% in the quarter and the annual increase was 3.3%, while in the WA public sector it increased by 0.9% in the quarter and the annual increase was 4.1%.



<sup>2</sup> ABS, *Labour Force, Australia, August 2010*, cat. no. 6202.0 (trend series, table 8)

<sup>3</sup> ABS, *Labour Price Index, Australia, June 2010*, cat. no. 6345.0 (original data, tables 2, 3 & 4)

## Average Weekly Earnings<sup>4</sup>

In May 2010, WA's average weekly earnings (full-time adult ordinary hours) was \$1,366.00, an increase of 1.2% since the February quarter. The male average weekly earnings was \$1,477.50 and the female average weekly earnings was \$1,128.90 which is a gender pay gap of 24%.

For more WA labour statistics, visit the [Labour Market Statistics](#) page located on the Department of Commerce's website [www.commerce.wa.gov.au](http://www.commerce.wa.gov.au).

## FREE ASSISTANCE FOR SMALL BUSINESS OPERATORS IN THE PEEL REGION

The Peel Small Business Centre (Peel SBC) will be offering a workshop in partnership with the Department of Commerce on 20 October 2010. Information provided during the workshop will include:

- paying correct wages in your industry;
- keeping correct time and wage records; and
- lawfully terminating the employment of an employee.

If you want to attend the workshop you can book through the Peel SBC at [info@sbcpeel.com.au](mailto:info@sbcpeel.com.au).

If you cannot make the workshop, and require information tailored to your business, the Department of Commerce provides one-on-one consultations at the Peel SBC each month. You need to make an appointment to access this free service.

<sup>4</sup> ABS, *Average Weekly Earnings, Australia, May 2010*, cat. no. 6302.0 (Trend data, Table 11)

For further information contact Charlie Domville-Lewis on 9222 7659 or email [charlie.domville-lewis@commerce.wa.gov.au](mailto:charlie.domville-lewis@commerce.wa.gov.au).

Further information on WA's employment law is available through **Wageline on 1300 655 266** or by accessing the [Department of Commerce website](#).

## SALARIES AND ALLOWANCES TRIBUNAL DETERMINATION FOR PARLIAMENTARIANS

On 1 September 2010, the base salary for Members of Parliament increased by 4.3% to \$134,526.

The pay increase was granted by the Salaries and Allowances Tribunal, an independent body that determines the pay of parliamentarians, judges and senior public servants.

The Tribunal considered comparisons with executive public sector salaries, price and wage movements, and that there had been no pay increase for parliamentarians since 2008.

The Tribunal noted a concern that a continuation of the decline in the relative pay of a Member of Parliament could deter people from aspiring to enter Parliament.

## EQUAL PAY DAY

Equal Pay Day Australia, which fell on 4 September this year, marks the date on which the average female earnings would theoretically catch-up to the average male earnings of the previous financial year.

Nationally the gender pay gap (GPG) is 18%, which means that women would notionally

have to work on average an extra 64 days to catch up to male earnings after the June 30 end of financial year.

In WA the GPG is 24%, which means WA women would have to work on average an extra 88 days to match the average earnings of males last financial year.

## WOMEN IN SCIENCE AND ENGINEERING

*Women in the professions: the state of play 2009-10* provides information from a regular survey of female members of the Association of Professional Engineers, Scientists and Managers Australia. The survey reveals that throughout their careers in engineering women typically earn less than men of equivalent experience.<sup>5</sup>

The report emphasises that the culture of science and engineering careers tends not to be supportive of female participation.

The survey reveals that even where work life balance policies exist, cultural barriers made them difficult to access.<sup>6</sup>

The report concludes that there is still much work to be done to ensure an equitable, family-friendly and safe workplace culture, which is imperative to attract, retain and promote professional women in these industries.<sup>7</sup>

The Executive Summary Report of *Women in the professions: the state of play 2009-10* is available through the [APESMA](#) website.

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<sup>5</sup> *Women in the professions* p. 4

<sup>6</sup> Ibid

<sup>7</sup> Ibid p. 9

## GRADUATE GENDER PAY GAPS

Another recently released report *Beyond Graduation 2009* is the inaugural review into how university graduates have fared three years after graduation. This has been compiled by Graduate Careers Australia and represents almost 6000 responses covering 23 educational institutions.

The report is not specifically gender focussed, but it does highlight some interesting trends.

In terms of salary, the report reveals that women with an undergraduate qualification are likely to be earning 6.8% less than men in similar roles three years after graduation

(regression analysis, accounting for other factors such as type of education)<sup>8</sup>. Women with a post-graduate qualification are likely to be earning 8.4% less than men in similar roles by the third year after graduation<sup>9</sup>.

The tables below highlight a few industries worth noting with regard to the gender pay gap. This shows that in many areas women are paid less than men both immediately after graduation, and three years later, regardless of if they hold an under-graduate or post-graduate qualification

The report *Beyond Graduation 2009* is available through the [Graduate Careers Australia](http://www.graduatecareers.gov.au) website.

Post-graduate	Starting salary			Salary 3 years after graduation		
	Males	Females	Pay Gap	Males	Females	Pay Gap
Information Technology	\$60,000	\$56,200	6.3%	\$80,000	\$70,000	12.5%
Management/ Commerce	\$60,000	\$55,000	8.3%	\$105,000	\$77,000	26.7%
Education	\$58,000	\$54,000	6.9%	\$74,000	\$69,000	6.8%

Source: Table 29, page 71

Under-graduate	Starting salary			Salary 3 years after graduation		
	Males	Females	Pay Gap	Males	Females	Pay Gap
Information Technology	\$43,900	\$40,000	8.9%	\$65,000	\$63,000	3.1%
Management/ Commerce	\$43,000	\$40,000	6.9%	\$68,000	\$62,200	8.5%
Education	\$44,700	\$44,800	-0.2%	\$58,000	\$55,000	5.2%

Source: Table 27, page 67

For more information on pay equity or flexible work, contact the Department of Commerce, Policy Directorate on 9222 7700. We can also supply links to other recent research on gender pay equity.

Fact sheets on pay equity can be downloaded at this website: [www.payequity.wa.gov.au](http://www.payequity.wa.gov.au) and fact sheets on flexible work can be found under the *Work Life Balance* tab on the Department of Commerce website [www.commerce.wa.gov.au/LabourRelations](http://www.commerce.wa.gov.au/LabourRelations).

<sup>8</sup> *Beyond Graduation* p.75

<sup>9</sup> *ibid*