



Dear Sir

Re: Pay equity and associated issues related to increasing female participation in the workforce.

Ritchies Stores Pty Ltd employs 3048 women. This is 57% of the total workforce.

As a major employer in the retail industry, Ritchies Supermarkets Pty Ltd (Ritchies) appreciates the opportunity to comment briefly on several issues regarding pay equity and women's participation in the workforce.

We understand that overall, data shows that women still do not earn as much as men in the workforce and that this is due to a number of social, economic and cultural reasons. In order to achieve true equity for female workers a multitude of strategies may be required.

With respect to centralised wage setting Ritchies comments on this issue are limited, however, in general we support the centralised minimum wage setting system as we believe this is a necessary safety net. The labour market has traditionally seen the retail industry classified as a women's work area. Sophisticated skill levels are not required at the entry level in the industry, and this is reflected in award wage rates. We support any measures and reviews to determine whether female-dominated industries have lower wages because the work is economically undervalued, but lower skilled work remains such, regardless of the gender of the person performing it. When it comes to wage setting under the award system, issues of pay equity and skill recognition are tasks that need to be addressed by the wage-setting authorities, and Ritchies supports a consideration of such issues by the relevant authorities.

Beyond the minimum entitlements, Ritchies favours a system of workplace bargaining. It is often pointed out that women in particular industries are disadvantaged due to their reliance on awards and the minimum wage. The opportunity that bargaining can offer women is substantial. However, the negotiation of wages and conditions in an employer/employee bargaining situation has been represented as disadvantageous to women in particular. The criticism is that the ability to individually negotiate with an employer or to have a fair collective negotiation is generally too difficult for women and

leaves them open to abuse. It relies on some outdated stereotypes. Firstly, the assumption that all employers enter negotiations with a view to taking advantage of vulnerable employees is quite wrong. Ritchies conducts its business with economic sense, but best practice also involves caring for our employees' wellbeing. We do not rely on the assumption that women find it more difficult than men to bargain and we do not believe that women have some innate disadvantage in bargaining, such as having less aggressive personalities than men. Ideas such as this are demeaning to women in the workplace.

There are many instances where award provisions that are intended to protect employees may in reality have had an adverse effect on employees by denying them the opportunity to negotiate individually with employers. We consider that permanent part time work and flexible working arrangements are desirable particularly for women who have to balance work and family responsibilities, and Ritchies is always prepared to directly communicate with individual employees in order to accommodate their needs.

Ritchies favours employee collective agreements and the potential that these offer an employer and employee to bargain above and beyond the agreement to suit individual circumstances. Awards have historically been particularly prescriptive, and in some instances can operate against the provision of flexible working arrangements. For instance, some awards set strict limits on the hours and rosters for part time workers, thereby reducing the incentive for an employer to employ part time workers.

Similarly, restrictive rostering provisions, which have been a feature of awards and union-based bargaining are meant to ensure that employer's cannot take advantage of employee's through unfair rostering means. Ritchies does not operate on the premise that we need to squeeze every last bit of value out of an employee. We value our employees and seek to ensure that they are happy with their working conditions. In the modern business employment culture, restrictive rostering provisions can often burden employees as much as employers. For example, it is not necessarily disadvantageous for an employee to be rostered on a split shift, or to be rostered to work their hours over 6 days in the week. This can enable an employee to be free when they require to attend to family or caring responsibilities. ~~Ritchies favours a system which allows a significant~~ degree of flexible individual bargaining on working conditions.

In the search for flexible working arrangements, the retail industry faces some particular issues regarding working hours. Most retail businesses operate seven days a week. Often, weekend and night shifts are optimal for workers who need to balance family responsibilities with work. However, the current pay system focuses on high penalty rates at these times and acts as a restriction on offering employment at these times to the full extent. While we acknowledge that there should be some compensation for working unsociable hours, there is an inevitable tension between the desire to give people working these shifts high penalties and the need to ensure that it is economically viable for an employer to give them the shifts in the first place.

Ritchies prides itself on taking a proactive employer approach to gender equity and participation issues in their internal workforce. We agree that any education and information that can be provided to businesses to assist them in this would achieve great results.

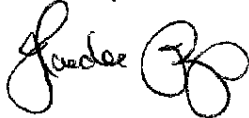
It is often cited as a problem that women often work casual and part time jobs, and suffer career disruption from taking maternity leave. In particular, not working full time can reduce an employee's access to experience and training that increases their workplace skill and promotional opportunities. By having career development for part time and casual staff who show the willingness and ability to develop their skills, we can also begin to address any subtle cultural perceptions that may linger regarding the commitment and potential of worker's who are not full time.

While pay equity is acknowledged as one means of increasing female participation in the workforce, in turn, greater female participation will assist in achieving pay equity. With such a tight labour market, the ability to attract and retain quality employees is a constant problem. The need for skilled workers of any gender is high. Because of this, pay equity becomes a business necessity, as we need to be able to attract and retain both women and men. In turn, the more women that can be employed and who can rise up within our business structure, can affect the kinds of subtle cultural shift that reflects a true gender balance within the workforce.

We note that there have been some calls for the introduction of mandatory reporting of gender pay data by employers. Ritchies strongly opposes measures that will have the effect of increasing administrative and compliance burdens. It is a cumbersome idea and the benefits are not clear. Ritchies truly believes in rewarding their valuable workers, regardless of gender, and assisting employees to prosper within the company. We are always interested in practical and effective ways to assist the development of true pay equity and gender equality.

We thank you for the opportunity to comment on this important issue.

Yours sincerely,

per. 

Fred Harrison

Chief Executive Officer