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Coles dispute highlights need for workplace laws to recognise joint employment: unions

Changes are needed to Australia's workplace laws to force large corporations to take responsibility for their entire workforce, say unions.

ACTU President Ged Kearney said the recently-settled dispute at the Coles National Distribution Centre at Somerton had highlighted the ways large companies have been contracting out their workforces to shield themselves from any responsibility for their pay, conditions or job security.

She said a meeting of the ACTU Executive in Melbourne today would discuss changes to the Fair Work Act to recognise that both the labour provider and the host employer have a role in observing workers' rights and entitlements.

"Despite working in a Coles warehouse and handling goods destined for Coles supermarkets, these workers at Somerton were on inferior pay and conditions because of a deal done under WorkChoices in 2006 to outsource the workforce to Toll Group," Ms Kearney said.

"Big business should not be able to hide behind these dodgy deals to avoid providing secure jobs and decent working conditions.

"These kinds of deals have been allowed to flourish under Australian workplace laws, particularly during WorkChoices, and have played a major role in the spread and growth of insecure work.

The outsourcing or contracting out of labour is bad for workers. It means poorer pay and conditions, unsafe workplaces and less job security.

"This is simply another way that big business shifts the risk onto others, and ultimately onto workers and we must stop it."

Ms Kearney said a solution to the problem had been put forward by the Howe Inquiry into Insecure Work, which would be considered today by the ACTU Executive.

"The Howe Inquiry has recommended changes to the Fair Work Act to recognise both the labour hire provider and the host employer have a role in observing workers' rights and entitlements," she said.

"In practice, this would allow Fair Work Australia to determine that where two or more were controlling or benefiting from employees' work arrangements, a joint employment relationship exists. This would apply not only to labour hire, but to relationships like that between Coles and Toll at Somerton."

Ms Kearney said joint employment was a feature of workplace laws in many other countries, including in the US and Canada, and already existed in Australian OHS laws, where a company may be liable even if it was not the direct employer.

"If a worker was injured in that Coles warehouse, both Coles and Toll would be liable. If joint employment is recognised in our OHS laws, why isn't it in our workplace laws?"

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