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Employers try to cut wages of Australia's lowest paid workers

Employers are trying to cut the wages of hospitality, retail, pharmacy, dry cleaning and laundry workers, the ACTU said.

ACTU Secretary Dave Oliver said employer groups have lodged submissions with the Fair Work Commission to cut penalty rates paid to workers in these industries under the review of modern awards currently underway.

"Hospitality, retail, pharmacy, dry cleaning and laundry workers are some of the lowest paid workers in the country who rely on penalty rates as part of their take home pay," said Mr Oliver.

"These workers sacrifice their weekends away from family and friends, they work late nights and early mornings, and they should be paid for that.

Mr Oliver said a sudden pay cut will leave many workers struggling to pay their bills.

"Penalty rates are not spare cash people splash around – they are part of take home wages that hard working Australians rely on to pay their rent or mortgage and put food on the table.

"If you cut people's wages, they have less money to spend in shops, in pharmacies, in restaurants – the very businesses that are driving this attack."

Mr Oliver said cutting penalty rates has nothing to do with job creation or productivity, it is about attacking people's pay packets.

"There is no evidence linking productivity or employment levels with penalty rates, a finding confirmed by the Fair Work Commission.

"The business community justifies its push to get rid of penalty rates by saying they are making it unaffordable to hire workers but this is simply not true.

"The share of business income going to wages in several key sectors has fallen in recent years, while the Fair Work Commission itself found no evidence to show that cutting penalty rates leads to employers hiring more staff.

Mr Oliver said unions will fight the move by employers to cut penalty rates and lower wages in the Fair Work Commission.

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