

Wednesday, 18 June 2014

Penalty rates are not for the taking Mr Abbott

The campaign to protect penalty rates kicked up a gear today with the release of new ACTU research, *'One out – The Abbott Government and the return of unfair individual contracts'* which outlines how the Abbott Government's proposed Industrial Relations legislation robs workers of their penalty rates alongside other workplace rights.

ACTU Secretary Dave Oliver said that Australian Unions are taking up the fight to protect penalty rates and will be engaged in grass-roots lobbying in every State and Territory alongside a national advertising campaign, amid significant and rising concern over the Abbott Government's proposed Industrial Relations legislation.

"Tony Abbott and his Government are working hand in glove with the business lobby to cut penalty rates and lower take home pays," Mr Oliver said.

"Legislation before the Parliament will strip current protections around individual flexibility agreements (IFAs) and make it much easier for employers to force workers to forgo penalty rates.

"Hundreds of thousands of workers could be moved off safety net conditions onto IFAs with less pay and less conditions under a scheme that will make it virtually impossible for workers who are ripped off to recoup their losses."

Mr Oliver said unions members were staunchly opposed to the blatantly anti-worker legislation and would be taking the fight to workplaces, to the community, to the industrial tribunal and onto television sets around the country.

"Like a wolf in sheep's clothing, Mr Abbott didn't present these plans to the public pre-election instead he promised that workers would benefit or, at least, not be worse off," Mr Oliver said.

"This was an outright lie. Mr Abbott is attacking the workplace rights of hardworking Australians including penalty rates, the minimum wage and imposing unfair individual contracts.

"Our campaign will warn hardworking Australians about what they could face and encourage them to actively stand up and fight this legislation and fight Mr Abbott's attacks."

Mr Oliver said that this legislation gives employers the green light to cut people's pay under the guise of greater 'flexibility'.

"When employers say 'flexibility', what they actually mean is reduced pay and conditions, Mr Oliver said.

"History tells us that under *WorkChoices*, individual contracts cut penalty rates for an estimated 65 percent of signed up workers, nearly 70 per cent lost annual leave and shift loading, half lost overtime and allowances and a quarter lost out on state and territory public holidays.

"This new plan will see workers working longer for less pay and outrageously includes a provision that requires them to sign away their future right to claim that the IFA left them worse off.

“We know that most people signing IFAs will do so under pressure to keep their jobs, particularly when starting a new job or to continue their employment.

“Tony Abbott’s legislation provides significant financial incentive for bosses to exploit workers with minimal ramifications.”

Key Facts: IFAs: what’s at risk for workers?

- The Abbott Government is proposing new industrial relations legislation which will impact how much people are paid as well as their hours and other working conditions.
- The legislation circumvents the formal protections which are now associated with making Individual Flexibility Arrangements (IFAs) and makes it virtually impossible for workers who are ripped off to recoup their losses.
- Hundreds of thousands of workers could be moved off safety net conditions and signed up to IFAs.
- These IFAs are unlikely to benefit workers. Instead people could work longer hours but lose their shift and annual leave loading, penalty rates and overtime pay.
- Workers being expected to work longer for less pay will nonetheless be asked to sign away their future right to claim that the IFA left them worse off.
- When signing IFAs it is expected a significant number of workers will do so under pressure to keep their jobs, particularly when starting a new job or to continue their employment.
- Many employees who don't understand the laws, or feel pressure, will have no choice but to sign the IFA if they want the job.
- Employers will find it easy to abuse the laws, use IFAs to drive down wages and conditions and exploit vulnerable employees.
- There is no external scrutiny of IFAs. No one checks they are fair and reasonable and that workers are not ripped off. No one checks workers understand what they are signing or that employers are doing the right thing.
- In particular, young people, non-English speakers and anyone without negotiating power or industrial relations experience will be left open to exploitation.
- Current legal protections under the *Fair Work Act* that compensate workers if they are exploited by unfair agreements will be watered down and in some cases removed.
- Anecdotal evidence suggests that the use of IFAs to remove award entitlements will be most prevalent in low-paid industries such as the cleaning, retail, hospitality, aged care, and disability sectors where workers are highly dependent on the award safety net.
- The legislation gives employers the nod to pay their workers in “favours” rather than money, like the opportunity to work on the weekend without being paid a weekend penalty rate.
- As part of making an IFA, workers must sign a legal statement saying the IFA leaves them better off. This statement can then be used by the employer against them.
- If circumstances change and the terms set out in the IFAs are no longer workable (e.g. mum gets a childcare placement and no longer needs to leave early or is available to work more shifts) a worker will need to give 13 weeks notice to withdraw from it and revert to the conditions under their collective agreement, rather than the current 28 days. This unreasonable waiting period could cost workers significantly, while only employers benefit.
- IFAs may reduce pay and conditions but workers will have almost no recourse under the law to recover their losses. Only employers benefit.
- There will be a significant financial incentive (with few ramifications) for bosses to exploit workers.

Media contact: Carla De Campo 0410 579 575 and Eleni Hale 0418 793 885