

McDonalds, Coles, Woolworths workers lose in union pay deals

by Ben Schneiders, Nick Toscano, Royce Millar via gail - SMH Thursday, May 19 2016, 2:33am
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Shorten's Sellout Scandal

Hundreds of thousands of Australian workers ripped off by SDA union's cozy deal with multinationals. This is clearly Shorten's province and unfortunately Shorten has a track record of selling out workers. SUPPORT your traditional support base Bill, or be confirmed as just another puppet of the corporations. The following story reveals much, especially the dirty trick the SDA pulled on its members. The union is incredibly supporting Coles, not workers, in its case against an employee taking action against Coles for decreased overall wages -- which, according to industrial law is illegal as no EBA should leave workers worse off than legally set award rates.



Bill Shorten, no account where it counts

The simple rule is, that an EBA cannot leave workers worse off than previous/existing awards. We'll see if Shorten supports the corporations this time around, as the matter is likely to affect Labor's chances at the upcoming federal election. It seems that both major corporate controlled parties share the same attitude regarding worker's rights and award entitlements. [Vote independent!]

Burger giant McDonald's is underpaying its Australian workers tens of millions of dollars a year under a cosy deal struck with Labor's largest union affiliate that excludes weekend penalty rates.

A Fairfax Media investigation has found the Shop, Distributive and Allied Employees Association (SDA) negotiated a 2013 agreement under which some McDonald's employees are paid nearly one-third less than the award – the minimum pay and conditions safety net.

Nationwide, workers at McDonald's – Australia's second largest employer – appear to be out of pocket by at least \$50 million a year. Those affected include young workers who earn as little as \$10.08 an hour.

The findings are based on hundreds of payslips, obtained by Fairfax Media, and the leaking of an entire store's roster that shows 63 per cent of workers at a large Sydney outlet are paid less than the award.

Brigid Forrester until recently worked up to four shifts a week at a McDonald's store in Perth, including Sunday evenings from 4pm to 10pm. She did not get penalty rates.

"The weekends were tiring, terrible shifts to work," she said. "I would always joke with people about how bad our pay was, but I was struggling to pay rent, and I have to pay for petrol and for parking at university."

Sub-standard deals done by the famously employer-friendly union may be responsible for up to half a million workers in the wider fast food and retail sectors losing hundreds of millions of dollars a year.

The union is separately locked in a similar controversy surrounding its deal with [Coles](#) – the nation's third largest employer. The supermarket chain has since admitted tens of thousands of its casual workers have been underpaid.

The union's agreement with the country's biggest employer, Woolworths, is almost identical to the Coles deal.

News of the underpayments comes at an uncomfortable time for Opposition Leader Bill Shorten, who has made the defence of penalty rates a key part of his election campaign, saying this week "only a Labor government can be trusted to protect our penalty rates system".

SDA insiders have expressed concerns to Fairfax Media about a string of sub-award deals sanctioned by the union leadership in recent years.

It comes amid mounting concern about deteriorating workplace standards and the scandals around 7-Eleven and the exploitation of temporary foreign workers.

The Fairfax analysis of the McDonald's pay deal was done in conjunction with Josh Cullinan, a senior official at the National Tertiary Education Union, working in a personal capacity, whose research unearthed the Coles scandal.

"While debate rages about penalty rates it ought be remembered that hundreds of thousands of workers have already had their penalty rates stripped by these bad agreements which should never have been approved," said Mr Cullinan.

The McDonald's national agreement, struck in 2013, contains no weekend penalty rates and restricts late-night rates to a 10 per cent loading from 1am to 5am.

Under the national fast-food industry award, penalty rates of 25 per cent apply on Saturday and 50 per cent on Sunday (75 per cent for casuals), as well as higher night shift loadings from 9pm to 5am.

McDonald's has a mainly young, often female, workforce. It is well known internationally for its antipathy to unions, and has few other union agreements across its vast empire. It is under pressure internationally over pay and conditions.

The SDA, the country's largest private sector union, is renowned for its close relationship with employers and its conservative, Catholic, social agenda, including opposition to same sex marriage.

The McDonald's agreement has delivered the SDA thousands of new and potential members, which bolster its clout inside the ALP and, therefore, in debates on social/moral issues.

Under the McDonald's/SDA deal, workers mostly receive slightly higher hourly wages than the award, but not enough to cover the penalties most of those who do any night or weekend work would otherwise receive.

An analysis of the roster for McDonald's Cremorne store in Sydney, and pay details of 170 non-managerial staff shows that the worst-off employees almost always worked some weekend or night shifts. Combined, the underpaid workers at the store were \$107,000 a year worse off than under the award.

"The analysis shows beyond doubt that two in three workers are worse off," said Mr Cullinan. "It doesn't matter if they are young or old, if they are casual or non-casual. They are all worse off."

McDonalds spokesman Chris Grant said it was "wrong" to suggest McDonalds underpaid its workers.

He said the union deal provided a higher base pay rates across the entire week "as opposed to penalty rates that only apply to limited timeframes", and included benefits beyond the award, such as better leave and annual pay increases. "We are a 24-hour, seven-day-a-week business and our employees tell us they love the flexible working hours we provide."

The McDonald's agreement was approved in 2013 by the Fair Work Commission. Under the Fair Work Act, agreements are meant to leave workers "better off overall" when compared to the award.

Working closely, the SDA and McDonald's were able to largely skip around that legal requirement by signing the agreement in mid-2013 and measuring it largely against archaic state awards.

That locked in much lower wages for a four-year period, conservatively saving McDonald's \$200 million.

The Coles underpayment row is likely to be resolved in coming weeks with the full bench of the Fair Work Commission set to rule on a challenge by Mr Cullinan to the Coles/SDA agreement, which covers 77,000 workers.

That challenge has also delayed talks between the union and Woolworths over a new workplace agreement.

SDA national secretary Gerard Dwyer disputed the findings of the Fairfax analysis and said McDonald's workers had voted for "significantly higher base rates of pay" to compensate for the lack of penalty rates.

"In the vast majority of cases, this leaves the worker better off overall," he said. "McDonald's workers are among the best paid fast food workers in the world."

Woolworths spokeswoman Claire Kimball defended its existing agreement, stressing it had been approved by the Fair Work Commission. She confirmed Woolworths was "monitoring" the Coles case.

The Fair Work Commission at the time said it was satisfied requirements for approval of the McDonald's 2013 agreement had been met, and that the company had provided indicative work hours and pay rates to show workers were better off. The SDA did not challenge its approval.

Unhappy meals

Employee Paid under EBA Award Amount worse off

21 year old part time NSW \$20,255 \$24,242 \$3986

17 year old casual NSW \$5917 \$7800 \$1882

18 year old casual VIC \$20,259 \$22,722 \$2463

19 year old part time SA \$19,005 \$24,778 \$5773

Source: Pay slips, rosters from McDonald's employees

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