

Coles admits ripping off much of its workforce after cozy SDA 'deals'

by Ben Schneiders, Royce Millar & Nick Toscano via mod - SMH *Thursday, Jun 8 2017, 2:07am*
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Supermarket giant Coles has admitted underpaying much of its workforce in cosy deals it struck with the conservative shop assistants union.



For two years, Coles has tried to deflect from the findings of a Fairfax Media investigation that revealed massive underpayment at the supermarket.

But in the Fair Work Commission on Thursday its lawyer, Stuart Wood, QC, indicated that much of the Coles workforce - up to 60 per cent - would be better off if they were paid minimum award rates rather than what they are paid from deals struck with the Shop, Distributive & Allied Employees Association (SDA).

The admission comes as Coles tries to fight off a huge back-pay claim for tens of thousands of its workers from Brisbane night-fill worker Penny Vickers.

Josh Cullinan, who helped [expose](#) the Coles scandal in 2015, said the admission by the supermarket was long overdue.

"It is outrageous this has been able to go on for two years and has been able to go on to cost workers, just at Coles alone, over \$50 million a year."

Mr Cullinan, who has set up a rival union to the SDA, the Retail and Fast Food Workers Union, condemned the SDA and Australian Workers Union for siding with Coles in the case brought by Ms Vickers.

"It is utterly remarkable that the SDA and AWU continue to litigate to protect this wage scandal."

A 12-month [Fairfax Media investigation](#) uncovered that workers at some of Australia's biggest employers - including Woolworths, Coles, McDonald's, Hungry Jack's and KFC - are being underpaid more than \$300 million a year, in deals struck with the SDA.

The reporting revealed more than 250,000 workers were being underpaid through dozens of union enterprise agreements. The agreements show a clear pattern of hourly rates paid from a few cents to a few dollars an hour above the award while penalty rates are slashed or non-existent, leaving workers worse off.

The revelations have been deeply embarrassing for the SDA, renowned for its conservative social agenda. They have also been embarrassing for the ACTU and Labor which has been campaigning against cuts to penalty rates.

In May 2016, an agreement between Coles and SDA was quashed in a [landmark Fair Work Commission](#) because it underpaid workers, failing the 'better off overall test'. The Coles deal provided either lower penalty rates for night and weekend shifts, or none at all.

Many of those underpaid workers earned as little as \$10,000 to \$15,000 a year, including working on checkouts, night fill or as cleaners.

Coles workers are now employed on an older agreement from 2011 which is currently being challenged by Ms Vickers in the Fair Work Commission.

Mr Wood, QC, for Coles, told the Fair Work Commission that at least 40 per cent of workers would be worse off if the Coles agreement was terminated and they were instead paid minimum award wages.

That indicates up to 60 per cent would be better off if the agreement was terminated and they were instead paid award rates.

A Coles spokesman declined to comment further as the case was ongoing.

Mr Wood also revealed that Coles wanted to start bargaining with the SDA to strike a new workplace deal. It has refused to bargain for the last year and any new deal would replace the agreements mired in controversy over sub-award penalty rates and other conditions.

Mr Wood told the Fair Work Commission that there were concerns that Coles could be subject to a separate class action over the underpayment.

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[Indeed, Coles, a once wholly owned and run Oz company is now run by British executives, including MD John Durkan. Clearly, despicable and underhand Coles is no longer a friend to Australia and Australian workers.]

<http://www.smh.com.au/business/retail/coles-admits-much-of-its-workforce-underpaid-after-sda-deals-20170608-gwnfl4.html>

Jungle Drum Prose/Poetry. <http://jungledrum.lingama.net/news/story-2697.html>