

Tuesday, 4 August 2015

Productivity Commission report attacks penalty rates, minimum wage and rights at work

Unions have always said the Productivity Commission Inquiry was called by the Abbott Government in order to cut penalty rates, the minimum wage and rights at work – the interim report released today confirms that.

The report calls for a two-tiered workplace system with Sunday penalty rates to be cut for workers in hospitality, entertainment and retail but remain the same for health and emergency service workers.

This is a pay cut for the thousands of Australians who work in restaurants, cafes and shops around the country.

There is no evidence to show that cutting penalty rates increases employment or productivity – it is simply a raid on people's wages that will create an underclass of working poor.

Minimum wage increases that 1.86 million Australians rely on will stagnate under the Productivity Commission's recommendations and will not take into account rising costs of living.

The gap between the minimum wage and average wages is currently the widest on record yet the Productivity Commission recommends using this as the starting point for future minimum wage increases, linking those increases to productivity and cutting this modest increase even further during high unemployment.

This means the gap between workers on average and minimum wages will never close and inequality in Australia will increase.

Rights at work are also under attack with a recommendation to expand individual contracts that would sit outside the award system, which is the safety net for the most vulnerable workers.

This is worse than Australian Workplace Agreements (AWAs) that were put in place under the former Coalition Government's WorkChoices laws and saw workers given no choice but to sign unfair agreements that removed their rights and conditions.

The Productivity Commission report also takes away payment for public holidays, attacks the power of the Fair Work Commission which is the independent umpire and makes it harder for employees to get help from their union.

The ACTU will fight any move to cut the minimum wage, penalty rates and rights at work.

Australian Unions call on the Abbott Government to rule out these recommendations and protect the wages and rights at work of millions of Australians.

Quotes attributable to ACTU Secretary Dave Oliver:

"The Abbott Government set up the Productivity Commission inquiry as a platform to cut penalty rates and the minimum wage and swing even more power to the employers – today's report confirms that."

"This is a pay cut for thousands of Australians who work in restaurants, cafes and shops around the country."

“Unions will fight any move to cut penalty rates, the minimum wage and rights at work. If the Abbott Government wants to make rights at work an election issue – bring it on.”

“Australia’s workplace system is based on fairness, equality, protection of the vulnerable and rewards for hard work. The system works and Australians have demonstrated they want and support it.”

“Cutting penalty rates or the minimum wage has nothing to do with job creation or productivity - it is about cutting people’s pay packets.

“The award system is the safety net that protects millions of the most vulnerable workers but the Productivity Commission report recommends moving people off the award and on to unfair individual contracts.”

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