

# **Union pay case will entrench poverty level wages for Australian workers**

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A wage case being conducted by the Australian Council of Trade Unions (ACTU) in the Industrial Relations Commission has dragged on for nearly three months and no decision is expected until May. The annual litigation, entitled the "Living Wage Case," determines pay increases for 1.5 million low-paid workers.

The ACTU, the peak union body, is seeking a \$28 increase to lift the federal minimum wage to \$428. The final settlement, however, is more likely to be closer to the \$10 figure submitted by the Howard government.

Even in the unlikely event that the Commission (IRC) grants \$28, the amount would do little to free thousands of workers from poverty. That can be seen from an Australian Bureau of Statistics study commissioned by the ACTU last September for the pay case.

The study covered the poorest 20 percent of Australian households, a total of 816,200 in all. It found that 31,000 families had been unable to heat their homes, 166,000 had sometimes not been able to pay utility bills, 30,000 went without meals, 284,800 could not afford a holiday away from home and 48,000 could not afford to have guests over for a meal once a month.

Another 212,000 households could not raise \$2,000 in an emergency and 22,000 had sought assistance from charities or welfare organisations. Over 220,000 said they were worse off than two years earlier.

These statistics were supported by several individual case studies. One woman with two teenage children worked a 55-hour week at two jobs for just \$679. She had not taken a holiday in 16 years and rarely saw her children. She worked from 9am to 5.50pm Sunday to Thursday, cleaning a hotel, and from 5.30pm to 8.30pm Monday to Friday, cleaning an office building.

A middle-aged man had worked for seven years as a kitchen hand at Melbourne's Grand Hyatt Hotel. He

was battling to support a wife and two children on a weekly wage of just \$350. His wage was supplemented by a government family assistance payment but his total disposable income was still only \$513.

A survey carried out last year by the Smith Family, a charity organisation, found that two in every five Australian families who lived in poverty had one or both adults working. At the same time, the Victorian Council of Social Services reported that increasing numbers of workers earned as little as \$200 a week, well below the poverty line.

With these statistics in mind, it is clear that the miniscule pay increase being sought by the ACTU has nothing to do with overcoming the situation faced by tens of thousands of working people. The annual wage case, involving the unions, the employers and the government, is actually a mechanism to legally enshrine poverty-level wages.

On the one hand, the exercise is designed to create the illusion that the ACTU and its affiliated unions are champions of the low-paid. This is part of the unions' attempts to stem the drastic fall in union membership, which has collapsed from 40 percent of the workforce in 1990 to less than 28 percent.

At the same time, the case provides the ACTU with an opportunity to demonstrate to both the employers and the government that the unions are an essential mechanism for containing wages and preventing any independent struggle by low-paid workers. Last year, after a series of submissions and counter-submissions, and a good deal of hot air from all sides, the ACTU settled for just \$10, half the amount it originally requested.

In a recent press release, ACTU secretary Greg Combet stated: "Unless there is a decent increase in award wages the most vulnerable workers in our

community, those without the bargaining power to secure wage increases through other means, will continue to fall behind.”

In reality, the inability of the low-paid, and indeed all workers, to advance their conditions is the direct result of the actions of the ACTU and its affiliated unions over the past two decades. Through the Labor Party government's prices and incomes accord and the current enterprise bargaining system, they have suppressed workers' struggles and, particularly in the case of the low-paid, refused to organise any major campaigns.

Indeed, the unions have become so valuable to employers in enforcing the conditions of low-paid workers that some large companies encourage employees to join.

Thousands of young retail workers, for example, continue to work as casuals, employed as little as 16 hours a week, frequently spread over broken shifts. They are regularly called in at a minute's notice to cover staff shortages. They are used in all facets of supermarket work, from counter service to stacking shelves and cleaning.

The New South Wales state award pay for an adult full-time shop assistant currently stands at \$458.80 per week (\$12 per hour). The full-time rate for a 17-year old is \$275.30 per week (\$7.24 per hour). Junior casual workers are paid a 25 percent loading on the base rate, but they are not entitled to paid holidays.

Shop workers' conditions hardly improve from year to year because the Shop Distribution and Allied Employers Union ensures that they never collectively challenge the working conditions. In exchange for ensuring that workers do not rock the boat, the union is given coverage by the major retail chains. While union membership is not compulsory, young workers applying for casual positions at many supermarkets are advised in the initial job interview that it would be in their best interests to join the union.

One young worker related to the *World Socialist Web Site* that when he worked for Coles two years ago he was employed for less than 30 hours a week. At times he travelled three hours to work a two-hour shift. When he asked for a shift change to play football on Saturdays, the management reduced his hours. He saw no point in complaining to the union because, in his experience, the union acted in collusion with the management.

The reality facing workers in industry after industry makes a mockery of union rhetoric calling for the government to be “serious about ensuring that low-paid workers and their families get a fair share of economic growth” and to “support a significant increase in award rates of pay”.



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