

# Australian unions back pay cuts for fast food workers

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The unions have again demonstrated their utterly corporatised character by backing cuts to penalty rates and conditions for tens of thousands of lowly-paid workers on the pretext of the economic disruption caused by the coronavirus pandemic.

On Monday, the Fair Work Commission, the pro-business industrial tribunal established by the last federal Labor government with the support of the unions, upheld an application by McDonald's and other chains for the elimination of overtime penalties for part-time workers.

The changes allow employers to cut the regular shifts of permanent part-time employees down to a minimum of eight hours per week. The workers can then be given additional hours without receiving the penalty rates that they were previously entitled to.

Companies also will be able to demand that workers take annual leave if they claim that there is a downturn in business. Workers will be banned from "unreasonably" rejecting this request that they use one of their few, meagre entitlements to reduce the wages' bill of the multi-billion dollar corporations.

The decision further erodes job security, in an industry that is already primarily staffed by casual employees receiving poverty-level wages. It is aimed at creating an entirely "on demand" workforce, that can be forced to labour without any entitlements or conditions, based on fluctuations in customer numbers and revenue.

The changes cover the Fast Food Industry Award, which governs the pay and conditions of some 214,000 workers, including 107,000 at McDonald's alone.

The application was brought by the Australian Industry Group (AIG) on behalf of a number of businesses in the sector. It is part of a broader campaign being waged by the corporate lobby for the pandemic to be used to implement a further pro-business restructuring of the economy, which it has been demanding for many years.

In a statement on Tuesday, AIG called for rules relating to sick and annual leave, along with redundancy and public holidays, to be removed from federal award agreements

mandating workplace conditions. This, it said, would allow for greater "individual flexibility arrangements," i.e., for employers to decide not to pay their staff any entitlements.

The Australian Chamber of Industry and Commerce has also presented the government with a series of proposals, including for employers to be allowed to stagger start and finish times without paying overtime and to be able to stand-down employees for a further six months after the government's JobKeeper wage subsidy ends in September.

In outlining the chamber's demands, its chief executive James Pearson wrote that: "The COVID-19 pandemic has shown that unions and employer groups are able to come together in times of crisis..."

Pearson was referencing the central role of the unions in enforcing a raft of cuts throughout the pandemic. This week's attack on fast food workers was actively campaigned for by the Australian Council of Trade Unions (ACTU), the national union umbrella organisation, along with the Shop, Distributive and Allied Employees Association (SDA), the largest union in the sector.

Both fraudulently claimed that "trade-offs" were necessary to ensure "job security" amid the crisis triggered by COVID-19.

In reality, the changes do not guarantee a single permanent position. They have essentially transformed the minority of permanent part-time workers in the sector into casual employees who are not even entitled to casual rates nor to overtime pay. Permanent staff who are not managers are frequently paid between \$17 and \$19 per hour, a figure which is lower than the hourly rate for casuals, due to supposed job security and entitlements. However whatever limited job security they previously had has now been done away with by the Fair Work Commission.

The majority of staff, who are casuals, can continue to be hired and fired at will. There are roughly 17,000 employees in restaurants owned and managed by McDonalds, as opposed to those that are controlled by franchisees. Of those, at least 80 percent are casuals. They are generally paid around \$26 per hour and have no guarantee of hours or

ongoing employment.

The unions have struck similar deals across a number of industries since the pandemic began. In the first weeks of March, the ACTU and its affiliated unions overhauled agreements covering some three million workers in the hospitality and clerical sectors, providing for sweeping cuts to overtime pay and the removal of restrictions on shift times.

ACTU secretary Sally McManus proclaimed last month that by collaborating with the unions, employers could get “everything they want.” She has worked closely with the federal Liberal-National government as it has provided multi-billion bailouts to the very corporations that are laying workers off, and has bragged of sometimes daily discussions with industrial relations minister Christian Porter.

This is a deepening of a decades-long role of the unions as an industrial police force committed to enforcing the dictates of the corporate elite and repressing opposition from workers.

The SDA has for years signed sweetheart agreements with the major retailers, supermarkets and fast food chains, slashing wages and conditions for some of the lowest-paid workers. In 2017, Fairfax media reports revealed that as a result of wage-cutting deals brokered by the SDA, as many as 250,000 fast food employees had received less pay than they were legally entitled to. Similar agreements, violating poverty-level minimum wages mandated by industry awards, have been struck by the SDA at the Coles and Woolworths supermarkets, at prominent pizza chains and across other businesses.

The rival Retail and Fast Food Workers Union (RAFFWU) has condemned the SDA for selling-out workers, including through its support for the latest changes mandated by the Fair Work Commission.

The RAFFWU was established in 2016 amid widespread anger over the SDA’s machinations, including among affected workers. It was formed by Josh Cullinan, who has worked in the union officialdom for two decades. This has included full-time positions with the National Tertiary Education Union (NTEU) and the Construction, Forestry, Mining and Energy Union (CFMEU), both of which have imposed attacks to jobs and conditions similar to those enforced by the SDA.

The role of the RAFFWU is to promote the fraud that workers can advance their interests by forming a more militant union. In practice, its activities largely involve petitions, protest stunts and legal attempts to overturn SDA agreements and return workers to industry award conditions on the grounds that these, which only mandate minimum wages and entitlements, are marginally better than those contained in sell-out enterprise agreements.

In other words, the RAFFWU aims to channel workers behind the courts, the Fair Work Commission and appeals to the employers—the very mechanisms enforcing the attacks on pay and conditions.

The RAFFWU and its denunciations of the Fair Work ruling have been promoted by sections of the CFMEU, including the head of its Victorian construction division John Setka. In social media posts, he has denounced the ACTU and SDA as “company stooges,” and has asked whether McManus’ real name is “Sally McDonalds.”

Setka and the CFMEU, however, have themselves collaborated with the largest property developers throughout the pandemic. They have ensured that the construction industry, which centres on lucrative real estate and commercial development, has been deemed essential, using this to force workers to remain on the job despite the impossibility of social distancing and the dangers of coronavirus infection. Workers who have condemned this attack on their health and safety have been subjected to censorship by CFMEU Facebook moderators.

The construction union, moreover, has overseen decades of cuts to jobs and conditions. A number of its divisions were exposed in the 2015 Royal Commission into union corruption as having received kickbacks from property developers and labour hire firms, including as they deprived workers of entitled wages.

This demonstrates the sham character of the RAFFWU and CFMEU posturing. In addition to infighting within the union bureaucracy, their newfound opposition to sell-out agreements reflects nervousness over growing social and political opposition within the working class.

The unions are seeking to prevent this developing sentiment from erupting into a genuine industrial and political movement of the working class, directed against the entire capitalist political establishment, of which they are a part.



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