FINANCIAL REVIEW

Warehouse workers the next union target after mines for Labor laws

Retailers have forked out more than $12 million in pay rises at their distribution centres due to the Albanese government's same job, same pay rules as unions move beyond the mining sector and target warehouse workers.

The United Workers Union revealed it had successfully secured pay jumps of up to $30,000 for hundreds of warehouse workers under the laws, mostly at major logistics sheds such as Australian Pharmaceuticals Industries, H&M, Asahi Beverages and DB Schenker.

The host company has often been the one to pay the extra increases for labour hire warehouse workers. **Louise Kennerley**

Woolworths, Kmart and Metcash warehouse workers have also scored pay rises of up to 46 per cent under Shop Distributive and Allied Employees Association applications.

Logistics is the largest sector after mining to be hit by the government's 2023 labour hire laws, which require workers from external companies to be paid the same as direct employees.

A UWU analysis found API's Melbourne warehouse paid out the most under its applications at $5.7 million, or up to $26,000 per worker.

Asahi Beverages recorded the highest individual pay rise at $30,000 for a total wage bill of $1.13 million. In total, UWU applications resulted in $11.99 million in pay rises.

"These reforms are doing exactly what they were designed to do – ending a broken system that let labour-hire companies undercut wages and exploit insecure work," UWU logistics director Dario Mujkic said.

Pay rises granted under same job same pay applications

Company/site	Sector	Highest pay rise granted ($)	Total pay rise value ($m)
Australian Pharmaceuticals (Melbourne, Vic)	Pharmaceuticals/ logistics	26,000	5.77
Ingram Micro Logistics (Eastern Creek, NSW)	Logistics	17,000	2.29
H&M (Marsden Park, NSW)	Retail/ distribution	16,000	2.24
Asahi Beverages (Huntingwood, NSW)	Food & beverage	30,000	1.13
DB Schenker (Redbank, Qld)	Logistics/ warehousing	9,000	0.56

Source: United Workers Union

"In almost every case – and this exposes the real purpose of these arrangements with labour hire providers – it's the host company who has to pay the same rate for workers doing the same job at the same site."

Labour hire worker at API's Dandenong centre in South Victoria, Evelyn David, said she received a 45 per cent pay rise at API warehouse in Melbourne, rising from $35.50 an hour as a casual with loading to $51.60 as paid to directly hired permanent staff.

Under her old rate David, 43, said she had been forced to work up to 10 hours a day to pay her mortgage and bills.

"It's really impacted my life," she said. "Before I always did extra hours as I have three kids and I became really exhausted. But now since I got paid this I can take at least six hours [a day] so as to keep work-life balance."

As a result of the order API also engaged David directly as a permanent worker, cutting out the labour hire firm.

An SDA spokesman confirmed the union had secured pay rises between 29 per cent and 44 per cent for labour hire workers at Metcash's distribution centres in Melbourne's western suburbs and up to 36 per cent at Kmart's centre in Lytton, Queensland.

Last month, the union got orders for up to 46 per cent increases for 300 workers at Woolworths' national centre in Melbourne run by its Primary Connect subsidiary.

The logistics pay rises match similar gaps in pay with labour hire in the mining sector. But due to substantially higher rates the total wage bill in the mining sector still dwarfs logistics at $150 million across 28 sites, according to the Mining and Energy Union.

Arnold Bloch Leibler workplace advisory head Bridget Little said mining was first off the block due to their bigger workforces at individual sites. But warehousing had lots more employers with smaller workforces and so the change had been “more piecemeal”.

“Employers impacted by the changes are assessing how they may need to reshape and organise their workforce,” she said.

“For example, staying strictly within the three-month exemption for surge work periods like Christmas, offering casuals ongoing employment and looking differently at labour hire arrangements.”

However, she said few employers were challenging the applications in the commission as “the laws are quite simple”.

“Employees may either agree informally to implement the changes or parties work through the Fair Work Commission process.”

In recent months, unions have also turned the laws on to the aviation sector. The Transport Workers Union secured same pay orders against labour hire firms for Qantas freight as well as 1600 cabin crew engaged by Jetstar and labour hire firm Altara with an average pay rise of $8000.

This article is licensed by Copyright Agency and has been reproduced with the permission of the publishers via Copyright Agency Limited. You must not copy this work without permission.