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Firms told how to cut labour cost

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TWO Victorian firms are promising to cut employers' labour costs by using the Howard Government's new IR laws.

Oakleigh firm Industrial Labour Solutions says businesses can make big savings under the new industrial regime.

``In conjunction with the new IR rules we are able to fix the situation permanently," the firm told potential clients.

``No more EBAs. No unfair dismissals. No casuals forced into full-time. No redundancies. No unions. No problems. Decreased costs."

Geelong-based firm Organised Personnel Placement has advised companies to consider cutting down on permanent employees.

``Now is probably a good time to consider the use of casuals/labour hire instead of full-time appointees for many organisations," the firm says in promotional material.

Both companies are labour-hire firms offering advice and staff placement services.

The latest moves to cash in on the new laws come amid a push by car parts maker Dana Australia to cut its workers' pay and conditions.

As revealed by the Herald Sun, the company wants to cut workers' pay by 5 per cent, and 20 per cent for new employees. It also wants to axe RDOs and reduce other benefits.

The **ACTU** said yesterday that employers and labour consultants were now aggressively trying to cut entitlements.

``We've seen spivs in the workplace making money off workers' conditions . . . consultants telling employers they can cut wages and conditions," **ACTU** president **Sharan Burrow** said.

Ms Burrow said unions would ``name and shame" any company using the new laws to disadvantage its workers.

Chris Smith, from Organised Personnel Placement, said his firm helped companies cut their labour costs.

He said the cost of labour in Australia made it difficult for Australian manufacturers to compete overseas.

`` Manufacturing is disappearing overseas at an ever-increasing rate, and the reason it is doing that is because . . . the labour cost is so low in comparison to what we have in Australia," he said.

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