

[[Previous](#)] [[Major News - ACTU Mentions](#)] [[Next](#)]

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Cut casual loadings in awards: taskforce

Author: Adrian Rollins

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Casual pay rates for thousands of workers may have to be cut to simplify the system of industrial awards, according to a federal government taskforce.

In a report on streamlining the convoluted system of awards for different categories of workers, the taskforce yesterday suggested the government drop a promise made last year to maintain wages for lower-paid workers at 2005 levels.

The taskforce warned the alternative of raising wages in different awards to a single common level could "result in a significant increase in wage costs for employers, particularly in the retail and hospitality industries".

Instead, the report recommended, casual percentage loadings be converted into monetary amounts for the purposes of the wage guarantee, even if for some awards the new common casual loading was lower.

"The alternative, of progressively increasing casual loadings up to a maximum which was designed to discourage casual employment, appears fundamentally at odds with the intent of the [Workplace Relations] Act," the report said.

Workplace Relations Minister Kevin Andrews said the government would adopt a cautious approach to simplifying the nation's award system, and would consult widely before finalising its plans.

Mr Andrews said the report, which identified more than 105,000 unique classifications and pay points in the award system, highlighted the complexity of present arrangements, and reform could greatly enhance productivity.

He reiterated the government's commitment that award wages would not fall below the 2005 safety net review level.

But **ACTU** secretary **Greg Combet** warned the effect of the taskforce's recommendations would be a cut in casual pay for many workers, while the conversion of casual loadings into monetary amounts would erode the real value of casual wages.

"Allowing casual loadings in awards to be cut would hurt some of the most vulnerable workers in our community," Mr Combet said.

"If the government goes ahead with this recommendation, we will see hard-working people who are already struggling to keep up with rising costs fall further behind."

The Australian Industry Group said the report reinforced the need for the Fair Pay Commission to "hasten slowly" in rationalising the award system.

AiG chief executive Heather Ridout said a simplistic approach could significantly increase business costs and hurt employment.

Labor industrial relations spokesman Stephen Smith accused the government of using the award simplification process to slash worker pay and entitlements.

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