

Coles refuses to repay casuals, cancels agreement

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Coles has refused to repay thousands of casual staff who were underpaid in a sweetheart deal with the shopworkers union after the retailer slammed the industrial umpire's proposed changes to the agreement as "impractical".

The supermarket giant said an enterprise agreement with staff from 2011 — which also paid below-award penalty rates — would now apply to its 75,000 workers after the Fair Work Commission last week struck out a more recent deal.

Coles reassured workers it would pass on any rises in base wages agreed since 2011, promising no worker would face a pay cut as a result of its decision.

The commission approved the 2014 deal between Coles and the Shop Distributive and Allied Employees Association last year and the agreement was endorsed by more than 90 per cent of staff. But last week the commission's full bench upheld an appeal by 26-year-old part-time worker Duncan Hart against the deal.

The commission found the deal failed the "better off overall test", as it paid below-award penalty rates despite higher base wages for most workers.

The commission ruled that the 2014 Coles deal would be invalid unless the retailer agreed to increase penalty rates, at a cost believed to be up to \$100 million. Yesterday, Coles said it chose to walk away from the agreement.

The commission had suggested Coles alter its roster, so fewer shifts attracted penalty rates. But the retailer said this was impractical and would reduce the level of service to customers and did not reflect the deal it had made with staff.

Coles's decision has soured its relationship with the SDA, with national secretary Gerard Dwyer saying he was "extremely disappointed". The SDA wanted to restart negotiations on a 2014 enterprise agreement.

Mr Hart told *The Australian* he was considering a challenge to the 2011 deal. "The agreement being terminated means we're back to negotiations. We can't rely on Fair Work, or the SDA; who can we rely on to represent us fairly in this process? The SDA has clearly failed to fight for its members rights".

He acknowledged that Coles could place all workers onto the retailers award, the minimum legal safety net, which would mean a pay cut for most staff. "What we want is a good agreement that is good for all workers," he said.

Coles declined to comment on the SDA's offer to restart negotiations.