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Woolworths workers win big wage rises, farm supply chain gets overhauled



Ben Schneiders



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Thousands of Woolworths warehouse workers have won substantial wage increases, defying the recent trend of sickly wages growth, by using the old-fashioned method of threatening a pre-Christmas strike.

More than 2000 workers in Victoria and NSW have won wage increases of about 4 per cent a year – twice the national average – and vastly improved redundancy pay.



Workers Mahani Mohd Tif and Vince Tropea have won better pay and conditions. Photo: Simon Schluter

The workers had voted to strike, which would have closed warehouses and hit Woolworths supermarkets and liquor stores in the crucial pre-Christmas trading period.

It comes as Woolworths, in a separate deal, also agreed with the National Union of Workers to a major overhaul of how workers in its supply chain are treated.

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This could result in wage increases of more than \$10 an hour for some under-paid farm workers. Many of these workers are paid barely half the legal minimum wage.

Reserve Bank governor [Philip Lowe this week](#) blamed employers for not paying more in wages despite Australia's tightening jobs market.

This meant the Reserve Bank was unlikely to increase interest rates. Wages have been growing at 2 per cent per year, the slowest growth in more than half a century, which has alarmed politicians and economists by damaging retail spending and capping economic growth.

NUW industrial officer Dario Mujkic said his union's win at Woolworths showed that its industrial tactics remained the best way to break the wages impasse.



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"[The Reserve Bank governor] was blaming employers for not giving workers wage increases ... [but] that doesn't make any sense. You can't blame business and capital for not passing on wealth," Mr Mujkic said.

"If workers organise collectively they can still win and still win big. It's not a case of the market setting wage increases, it's actually workers setting the wage for themselves."

Warehouse workers have been voting to endorse agreements in Victoria on Wednesday that also included higher redundancy payouts and, in some cases, higher shift penalties.

The agreement involved no trade-off in conditions to secure the higher wages, he said.

The strikes were due to start in Victoria on Thursday.

While the wage increases in the warehouses are large, Woolworths' decision to change how its supply chain operates may have more significant, long lasting effects.

Woolworths chief executive Brad Banducci said the company would work with the union and others to ensure labour hire providers complied with labour standards, and that workers were paid legal rates.

That would involve labour hire providers in its direct food supply chain being pre-approved by the supermarket and the NUW. Workers would be told about their workplace rights and right to join a union, Mr Banducci said.

That agreement is in response to a near three-year campaign by the NUW that has exposed widespread exploitation in the horticulture

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sector and among suppliers to the big supermarkets.

Mr Banducci said it wanted to deliver "genuine improvements" and "practical reform" and that the deal would include an effective grievance mechanism to deal with human rights violations.

"Our belief is that finding the right solution to address human rights risks in horticultural supply chains in Australia will be best achieved by working collaboratively with farmers, governments and unions," Mr Banducci said.

NUW national secretary Tim Kennedy said the supply chain agreement would ensure tens of thousands of farm workers employed by contractors had basic rights.

He also said that many of them could get substantial pay rises.

The union has uncovered repeated examples of farm workers being paid a pittance, exploited and denied basic rights.

A [report](#) this week found that wage theft was endemic across Australia with a quarter of international students and a third of backpackers earning \$12 an hour or less.

The farm sector was the worst. Almost one in seven doing farm work earned \$5 an hour or less and almost a third earned less than \$10 an hour.

Mr Kennedy said Woolworths had taken a big step towards eradicating wage theft and exploitation in the sector.

"In making these commitments, Woolworths is acknowledging the extent and seriousness of the problem of exploitation on Australian farms."

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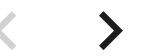
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