

Retail Union negotiates an end to youth wages at IKEA

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Workers at international homewares giant IKEA will benefit from a new union-negotiated collective agreement which grants big pay rises, abolishes junior wage rates and offers staff 26 weeks paid maternity leave.

Joe De Bruyn, National Secretary of the SDA (Shop, Distributive and Allied Employees Association) and ACTU Senior Vice-President said the new IKEA agreement was "extremely significant" for the retail industry because it set the base rate for full-time workers at \$725 a week – which is \$125 better than the award rate.

The abolition of junior rates is an important step for young people in retail, as those under 21 are paid less. With the IKEA deal there will be no difference between the wage of an 18 year old and a 21-one-year-old.

"This puts the company ahead of anyone else in the industry. They have a very successful business model and are able to combine this with looking after staff. They understand the benefits of working constructively with unions to improve the standard of living for their workforce, especially young people and women, and other companies can learn from them," said Mr De Bruyn.

The agreement, which is scheduled to come into force soon, also includes:

- 26 weeks paid maternity leave for co-workers with two or more years employment at IKEA with an option to take 12 months at half pay
- Four weeks paid paternity leave for co-workers with two or more years employment at IKEA
- Maternity and paternity leave available for both the birth and adoption of a child and for same-sex couples

Greg Day, IKEA Human Resources Operations Manager said the company had a positive relationship with the union. "The SDA has worked enthusiastically with IKEA on the development of our Agreement and this productive relationship has resulted in an Agreement we are proud to offer our co-workers."

IKEA Australia East currently employs approximately 1200 people, around half of whom are women, and plans to grow its employee base to 3000 by 2015 by opening new stores.