

Fair Work Commission decision to disadvantage low paid Victorian workers.

Penalty Rates and
Fair Pay Select Committee
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The objective of the Fair Work Commission (the Commission) decision to reduce Sunday and Public holiday penalty pay rates is supposed to create jobs growth and increase hours worked on Sundays. What this decision actually results in, is a reduction in take home pay which disadvantages the lowest paid workers in Victoria and provides the employer with a financial advantage.

The Commission has decided to reduce Sunday penalty rates incrementally over a 4-year period. According to Russel Zimmerman chairman of the Australian Retailers Association this decision will hinder the creation of new jobs. There appears to be no guarantee or evidence that the Commission's decision to reduce the take home pay of low paid workers will create new jobs.

Philip Lowe chairman of the Reserve Bank of Australia recently stated, "If workers are getting no real wage increase year after year after year that's insidious". I can only conclude therefore that the Commission's decision to reduce real wages year after year after year is also insidious – not only to low paid workers but also the Victorian economy.

As I previously stated the Commission's decision to reduce the take home pay of low paid workers is inconsistent with the objective of the creation of modern awards which is not intended to disadvantage employees.

Request Under Section 576c(1)-Award Modernisation Consolidated Version - 26 August 2009

Clause 4C "In relation to Victoria, the Commission should take into account transitional awards, Victorian reference awards and common rules that are currently in operation under Schedule 6 to the *Workplace Relations Act 1996* and that would be given effect under the *Fair Work (Transitional Provisions and Consequential Amendments) Act 2009* after 1 July 2009."

This specific request endeavours to ensure Victorian employees are not disadvantaged by a reduction of take home pay as they were during the Howard Government's Work Choices.

The Commission's decision to reduce Sunday and Public Holiday pay rates alters the ten legislated minimum conditions of employment within the National Employment Standards. This does not provide a balanced framework within the industrial relations system, and there is no longer a guaranteed safety net of fair, relevant and enforceable minimum terms and conditions through the NES, modern awards and national wage orders.

The Commission has in my opinion altered the level playing field to the financial and operational advantage of the employer to the disadvantage of the employee. In my opinion, this is inconsistent with the objective of the modern awards and the *Fair Work Act 2009*. This appears to me to be the reintroduction of the Howard Governments Work Choices by stealth. The Victorian Government and Parliament should defend exploited workers against this wage theft.

Ian McSparran
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