

## **Submission to the Inquiry into penalty rates and fair pay**

### **Name withheld**

Background: for clarity I am an employee and never have been an employer. I have worked a mixture of fulltime and casual jobs. The casual jobs have been a mixture of rural and urban environments with the number of hours employed varying. My role at [REDACTED] University included weekends, public holidays and anywhere between 7.45am to midnight during the week.

I wish to state from the outset that the Fair Work Commission's (FWC) recent decision to cut penalty rates should not be opposed and no safeguards be introduced in relation to these by the State of Victoria.

The reasons being:

- The penalty rates were way too high and even the new rates proposed by the FWC are still too high (see Table 1 and 2 on page 4 and 5 of the FWC's Summary of Decision). I cannot believe in the modern work era that there is any more than a 25% loading for casual pay rates regardless of hours or days worked and that fulltime/permanent employees with the exception of overtime.
- Flat casual rates are agreed by unions in many organisations. I myself worked at [REDACTED] University in 2013 and 2014 and the casual pay rates at the lower levels of employment classifications were only 19% above the hourly rate of fulltime/permanent part time hourly rates. The flat casual rate applied regardless of whether you worked normal working hours, weekends, public holidays or at nights. This was the [REDACTED] University Enterprise Agreement 2013 agreed to by the National Tertiary Education Industry Union. I believe it is similar to many agreements agreed to by unions across many industries.
- Community expectations and perceptions of working hours have changed since the concept of penalty rates both by shops, businesses and facilities etc being open and by people wanting to work in them. The concept of the strict 9 to 5, Monday to Friday working week has long disappeared and penalty rates be changed to reflect that. Retail and business hours were deregulated in the 1990s and penalty rates should cease to reflect that.
- There is a minimum wage rate in place as a safety net and there is nothing stop employers paying above the award rate if they choose to do so
- The retail sector is very competitive and is facing cost pressures by competitors that have a low cost base and in particular online competitors. Abolishing penalty rates will reduce a significant cost disadvantage of 'bricks and mortar' stores
- Single parents are the group least affected by such changes as they are the smallest group of employees that work such 'unsocial hours' (see Table 4 on page 9 of 'Evenings nights and weekends: working unsocial hours and penalty rates by Tony Day [https://www.unisa.edu.au/PageFiles/34117/PenaltyRatesReport\\_Oct2014%20Final\\_R1.pdf](https://www.unisa.edu.au/PageFiles/34117/PenaltyRatesReport_Oct2014%20Final_R1.pdf))
- Simple economics – by reducing ludicrous penalty rates, employers will be able to take on more employees especially on Sundays which is no longer a 'day of rest' and many in the community undertaking activities that rely on retail and other employees being available
- A flat casual / penalty rate will reduce the complexity for employers in paying employees and therefore less mistakes

- The FWC is a federal organization and in the course of its 4 yearly review of modern awards, it took in and considered over 5,000 submissions (page 1 of the FWC Summary of Decision). Its decision also recommended a preference for how to implement its decision.

One thing I would like the State of Victoria of Victoria instead of this Inquiry is to be investigate / crackdown on is stopping employers paying of employees 'cash in hand' and at least at a reasonable wage rate ie the minimum award rate.