

Inquiry Name: Inquiry into Penalty Rates and Fair Pay

Adam Bandt MP

Penalty rates are an integral part of people's rights at work. A cut to penalty rates will mean a cut in pay for some of Australia's lowest paid workers. Thousands of hard working Victorians depend on penalty rates to earn a living wage and make ends meet, particularly young people. Young people are already facing unaffordable housing, insecure work and low levels of student assistance, and cutting penalty rates will increase their financial burden and place them under immense pressure.

Following the determination of the Fair Work Commission to cut penalty rates, many constituents of Melbourne have contacted my office asking the Greens to oppose the cuts and to urge that legislators stand up for those who will be hit hardest. One constituent wrote:

'This WILL have a huge impact on our already very low income and will mean that our family will not only go without the very few small luxuries we are able to have but it will also mean that we will struggle enormously to be able to afford just the essentials! This not only affects myself but also my 3 children as we are all in the retail and hospitality industries and are already financially struggling.'

The Greens are fully committed to ensuring Australians continue to receive their penalty rates. We were the only party that went to the federal election with a commitment to reverse any cuts and introduce legislation to protect penalty rates. Despite the Labor Party's pre-election commitment to accept the ruling of the Fair Work Commission, we welcome their subsequent change of position to join The Greens in committing to legislate to protect the penalty rates of working Australians .

It is time penalty rates were protected in law. To that end, the Greens have introduced a bill (*Fair Work Amendment (Protecting Weekend Pay and Penalty Rates) Bill 2017*) into federal parliament to reverse the Fair Work Commission decision and protect penalty rates. The bill legislates to protect penalty rates by amending the *Fair Work Act 2009* to protect penalty rates in a modern award from being varied to make the penalty rate lower than in force under the award on 1 January 2017. This provision would prevent the Fair Work Commission determination from coming into effect and prevents penalty rates from future cuts.

Additionally, the Greens co-sponsored a bill (*Fair Work Amendment (Protecting Weekend Pay and Penalty Rates) Bill 2017*) with Labor in the Senate to protect penalty rates by ensuring that a modern award cannot be varied to reduce the take-home pay of an employee, including any reduction in take-home pay as a result of a reduction in penalty

rates or hours to which penalty rates apply. This bill has successfully passed the Senate with the support of crossbenchers Derryn Hinch and the Nick Xenophon Team who previously opposed such a bill and will now proceed to the House of Representatives.

Systemic underpayment of workers, especially in the retail and fast food sector, has also been exposed across Australia with many workers having been denied their penalty rates or full rates of pay. The Greens have introduced a further bill (*Fair Work Amendment (Pay Protection) Bill 2017*) that protects employees by closing legal loopholes that have allowed workplaces to pay employees below the minimum full rate of pay in the award. The bill amends the *Fair Work Act 2009* to ensure employees covered by an enterprise agreement will not receive a rate of pay, casual loading or penalty rates below the national minimum wage order or relevant award.

The Greens urge the Victorian government to express support for the above bills at the Commonwealth, State and Territory Ministers for Workplace Relations and Work Health and Safety meeting and to advocate to the Federal government for their passage. I would welcome the opportunity to appear before the committee and expand upon the submission.