Committee Secretary

Senate Standing Committees on Education, Employment and Workplace Relations

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Australia

Submission to the Inquiry into the Fair Work Amendment (Small Business-Penalty Rates Exemption) Bill 2012

I am a permanent employee, working as a system administrator, currently earning around 48 per hour.

I'm a recently reformed student, with a soon-to-be wife and a very-much-here mortgage

I would be out several thousand dollars a year if penalty rates are abolished, but honestly it's not that big a deal for me - the people who need penalty rates are earning significantly less per hour, generally, and have significantly less secure employment. When I was a student working retail shifts, the difference between a sunday and a monday shift would be the difference between eating well and getting to uni, or skipping classes and eating toast. Retailers don't want to pay penalty rates because their operating costs are too high, but their earnings are highest on the weekends as

well (and ignoring a fairly significant body of work that indicates that well-paid workers produce better profits in less time than low-paid people: http://hbr.org/2012/01/why-good-jobs-are-good-for-retailers; http://www.chicagocdr.org/cdrpubs/pdf_index/cdr_519.pdf). People in retail jobs generally don't have the security to demand pay increases in general, and since they're primarily collective bargained, an individual who works solely weekends doesn't have the option to say "pay me more, I'm special" - unless there's a legislative reason to do otherwise, they'll be paid the bare minimum possible (small retail businesses are not often collectively bargained, and they often pay less because of it; removing penalty rates here is even worse).
There's the counter-argument that people wouldn't work these jobs if the remuneration wasn't sufficient, but that's a fairly specious one - if it's the only job you can get, then you will take it, basically, unless it costs you more to get to work than it does to not go. Even if you only end up $10 ahead at the end of the day, that's $10 you've got now that you didn't before. We are not blessed with such an abundance of available jobs that this level of discrimination is actually possible, for all that we've got, basically, the best economy in the world. Abolishing penalty rates is regressive; it nominally ensures competitveness for corporations while disadvantaging people who are least capable of handling the loss of what is, per person, a fairly small amount. (as a side note: abolish executive bonuses. There you go! Freed up several million dollars in wages, give everyone a raise.)

I don't think we need to debate that weekends are important, or why.
I have, in the past, missed people's birthdays due to working on the weekend. I have also been to weddings (and funerals) where I've been a bit annoyed that it, functionally, cost me several hundred dollars to attend. Of course, it would have cost me less if there weren't penalty rates, but all the other parties etc that I missed would have earned me less, also. The calculus would change; perhaps my employer would

have found themselves short-staffed on the weekend.

Don't abolish penalty rates. They're one of the few things that make the terrible jobs you have as a young person, and the things they make you miss out on (Weddings, parties, anything) even vaguely worthwhile.
Young people don't generally have the option of not going to work, so they'll continue to work their terrible weekend shifts, for the most part, if the rates are removed, but their quality of life will be significantly reduced. It may be difficult, now, to remember a time when $50 made an actual difference to your life (please adjust figure for inflation), but there's hundreds of thousands of people who are in that circumstance now. Don't screw it up for them, please.

Submitted by
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