

Committee Secretary
Senate Standing Committees on Education, Employment and Workplace Relations
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

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

Dear Senate Committee,

The following is the text of an email I sent to Senator Xenophon when I learned he was putting forward a Bill to abolish penalty rates for businesses employing fewer than 20 people:

"Greetings, Senator Xenophon,

I am very concerned at your decision to introduce a Bill to disallow penalty rates for small business.

I can tell you now that small business people are misleading you. I give my daughter's experience as an example. She is studying and incurring a HECS

debt, but has been keen to work so we don't have to support her.

She has worked for a small business person for the past eight months. Despite her having a legal entitlement to casual rates, she has been paid a flat rate lower than the Award ordinary hours rate for the work she does. She works in a major shopping centre, and a number of her friends work at other businesses in the same centre. They are all paid pretty much the same rate, with the exception of one friend who works with a chain. (That chain has a certified Agreement and my daughter's friend is paid according to that Agreement.)

The business my daughter works for is not struggling. They take 800 orders or more on the shifts she works, and even if there is a very conservative price of \$10 per order, the business brings in \$8000 per day. Most orders are far in excess of \$10.

I was so shocked at my daughter's experience that I have checked with her wide circle of friends, and with my friends who have kids the same age. Very few of the students in these two groups are being paid anything like the correct rate for their work, so the information you have based your decision to introduce this Bill on is exceptionally misleading.

This information I gathered from my friends and the friends of my daughter aroused my curiosity sufficiently for me to speak with a number of the small business people in the shopping centre my daughter works at. In conversation about the difficulties they encounter in staying afloat (rather than leading questions about the cost of wages) not one mentioned the cost of staff. Without exception, they indicated that the greatest threat to their businesses is the exorbitant rent they are required to pay.

I ask you to reconsider your decision. This generation of students is expected to work

unsociable hours to help with living expenses while incurring a substantial debt for their education. Paying them properly for the work they do is fair and reasonable. If you must find a way to help small business, tackle the real reason many are struggling â€“ put a tax on the shopping centre owners who reap such exorbitant returns, and provide some sort of support for well-managed but genuinely struggling small business."

Since writing that email I have read that an analysis by DEEWR of the impact of Senator Xenophon's Bill if it was adopted and the evidence is clear - some of the poorest-paid workers would be dramatically worse off.

Already the gulf between the wealthy and poor in Australia is appalling. According to the ABS Survey on Income & Housing "The magnitude of wealth inequality and income disparity is growing. The wealthiest 20% of Australians own 61% of the nationâ€™s wealth. The poorest 20% own 1%."

Senator Xenophon's proposed Bill would only make this vastly unjust situation worse.

I urge the Senate Committee to reject the call to abolish penalty rates.

Yours Sincerely

Liz Schroeder

Submitted by
Liz Schroeder

Wednesday 19th of September 2012