

Committee Secretary

Senate Standing Committees on Education, Employment and Workplace Relations

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Canberra ACT 2600

Australia

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

Dear Senators

I am writing this submission on behalf of my family in the hope that you will not accept the proposal to cut penalty rates for retail and hospitality employees. My wife is a permanent employee working as a shop manager in a chain of small retail clothing outlets. She works five days per week, including Saturdays and Sundays. She is paid the standard rate for a sales assistant (\$17.53 per hour for ordinary weekday hours) and receives a standard penalty loading for working on Saturdays and Sundays. Over and above those standard rates, she receives an "Executive bonus" of \$100 per week for performing the extra duties of shop manager.

As we all know, employees in retail and hospitality are among the lowest paid and most insecure in the workforce. Many are employed in small businesses. Penalty rates

are an essential part of their weekly income, especially those who are part-time, as it is only by working on weekends that they are able to earn a decent wage to cover mortgages and the rising costs of living. So it is important to protect current pay and working conditions, including in small businesses.

We are in precisely that position ourselves, having saved enough while renting over the past eight years for a deposit, and now repaying a home mortgage of \$345,000. With one child to raise, we rely on the extra income from my wife's weekend penalty rates to help pay the mortgage, council rates, house insurance, utility bills, car insurance and registration (2 vehicles), ambulance membership, and all the other costs of living which are constantly increasing. We can only keep our heads above water if interest rates remain low and my wife receives penalty rates.

If penalty rates were removed, my wife would receive \$166.35 less per week, which is 20% of her gross weekly income (excluding the \$100 executive bonus). We cannot afford to lose such a large amount of our family income. If she was to lose the weekend penalty rates, we would have no other source of income and next to no room to cut our expenses. We already live within our means, shop carefully, buy in bulk, do not smoke or drink, we rarely eat out and cannot afford holidays, other than taking my son camping occasionally. To be honest, we would be living close to the edge if penalty rates were cut, and worse if interest rates went up too.

While we rely on and appreciate the opportunity for my wife to receive penalty rates, we do it at a considerable cost. We never go on a weekend picnic or BBQ as a family, we can never enjoy a long weekend away together or even most public holidays because my wife is rostered to work, but again fortunately at penalty rates.

It is also unfair just to look at penalty rates without looking at the whole picture. Many

small business employers in the retail industry are cutting corners on staffing levels and OH&S requirements, often relying on single employee to run their shops and ignoring the need for safe-lifting aids, electrical safety and maintenance and so on. My wife is rostered on by herself to look after sales and the whole shop operations for two days each working week, with only one additional staff member rostered on for the other 3 days she works. The result is she is placed in the position of closing the shop to take a lunch or toilet break (the toilets are a 2 minute walk away ), yet at the same time she is put under constant pressure to meet unrealistic sales targets. She is also required to lift boxes of clothing that are far too heavy, not to mention working with computers, lighting and other equipment that is poorly maintained and dangerous.

I realise it is necessary to support small businesses as much as possible as they are an important part of our economy. But they also need to be viable and well managed and willing and able to fulfil their obligations to their employees, including penalty rates and safe and fair working conditions.

I also realise that many retail businesses are struggling at present. Rather than making employees pay by cutting penalty rates, the real problems need to be rectified. For example, the growth of online retail outlets is a major drain on local business, but that is mainly because they are not subject to the GST. If this problem was rectified, then it would be unnecessary to reduce the pay and working conditions of employees in small businesses.

I strongly believe that penalty rates are part of a fair working wage in a society that should reward the sacrifices made by hardworking citizens and family members. So I request the Senate Committee to reject the proposal to cut penalty rates.

Thank you for the opportunity to make a submission.

David Henderson

Submitted by

David Henderson

Tuesday 25th of September 2012