

Thursday, 2 April 2015

Paying Easter penalty rates will not hurt business

Australians are being subjected to a false and misleading campaign about penalty rates by employer groups in the lead up to Easter, Australian Unions said today.

Despite no evidence to support their claims, employers in the growing sectors of retail and hospitality are calling for penalty rates for working over the Easter break to be cut, citing undue pressure on business.

Good Friday (3 April) and Easter Monday (6 April) are national public holidays, with some states and territories also declaring Easter Saturday and/or Easter Sunday public holidays.

Australians overwhelmingly support workers being paid penalty rates when they give up their weekends, nights and public holidays.

What employer groups omit is paying workers penalty rates for working over Easter benefits businesses long term as it will increase disposable income for some of the country's lowest paid workers which, in turn, will be spent in local businesses.

Even if most retail and hospitality employees worked a full time week at double time for every hour worked, they would still be paid less than full time average weekly total earnings.

Australian Unions have launched a petition calling on the Federal Government to protect penalty rates by excluding them from the Productivity Commission inquiry into workplace relations and other government inquiries (www.australianunions.org.au/save_our_weekend).

Key facts:

- Total wages share in food and accommodation was 78 per cent in 2013-14, down from a peak of 87 per cent in 1997-98. In retail, the wages share has fallen from a peak of 79 per cent in 1997-98 to just 73 per cent in 2013-14.
- The level 4 rate of pay in the General Retail, Restaurants and Hospitality Awards is \$746.20. Full Time Adult Average Weekly Total Earnings as at 14 November was \$1,539.40 (ABS 6302).
- 97% of Australians think that the weekend is important for families (Galaxy Research 2012)
- A Fair Work Commission decision on the Restaurant Industry Award in May 2014 found that it did not consider Sunday penalty rates to "have economy-wide effects" as the industry has grown strongly since the Award commenced.
- In 1997, 69.7% of us had jobs from Monday to Friday. In 2012 that figure was 68.9%.

What are penalty rates worth?

- A nurse in a South Australian hospital gets 22.9% of their income from penalty rates. Losing them would mean an eye-watering annual pay cut of \$14,000 to \$22,000.
- A waiter working for a celebrity chef – those who call penalty rates 'ridiculous' – would see their incomes slashed by 30% from \$41,000 down to \$29,000 if penalty rates were slashed.

Quotes attributable to ACTU President Ged Kearney:

"While the rest of us wind down for the Easter break, millions of Australian workers will give up their family time and they should be compensated for that.

"The business community, backed by the Abbott Government, are using the Easter break as justification to attack penalty rates by saying it's unaffordable to hire more workers. The truth is the share of business income going to wages in retail and hospitality has fallen in recent years.

"There is no evidence this will create new jobs, but plenty of evidence it will hurt low-paid workers.

"We know most retail and hospitality workers are paid less than Full Time Average Weekly Total Earnings and working over the Easter break allows them extra disposable income to spend in shops and cafes – the very businesses that are driving this attack.

"Cutting penalty rates have nothing to do with job creation or productivity - it is about cutting people's pay packets and disposable income."

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