

4 September 2015

**PENALTY RATES AM2014/305
REVIEW OF THE HOSPITALITY INDUSTRY (GENERAL) AWARD
EXPERT EVIDENCE**

We act for The Australian Hotels Association (AHA) and the Accommodation Association of Australia (AAA).

The following information is provided in accordance with the directions issued on 7 August 2015 ([2015] FWC 5357).

Set out below are the specific findings the AHA/AAA submits can be made based on the following expert reports filed in the proceedings:

1. *Modern Face of Weekend Work* – Lynne Pezzullo, Deloitte Access Economics
2. *Value of Time and Value of Work Time During Public Holidays* – Professor Rose, University of South Australia
3. *Penalty rates and the retail, café and restaurant; and hairdressing and beauty industries* – Professor Lewis, University of Canberra

1. *Modern Face of Weekend Work* – Lynne Pezzullo, Deloitte Access Economics

- a) The majority of weekend workers have minor or no problem working on weekends.
- b) An increased majority of part-time and casual employees have minor or no problem working on weekends.
- c) Employers adjust staffing and opening hours on weekends due to wages costs.
- d) Most workers do not consider keeping Sunday free from work more important than keeping Saturday free from work.
- e) Younger workers are less concerned about working on Sundays.
- f) Weekend shifts are generally shorter than weekday shifts.
- g) Most workers have at least one weekend day off.
- h) It is rare for workers to consistently work all weekend every weekend.
- i) Weekend work is desirable for younger workers.
- j) The proportion of weekend workers who are younger workers has increased.

- k) Weekend workers use their time differently and shift some activities to week days.
- l) Customers, including weekend workers, shop on the weekends and like doing so.

2. *Value of Time and Value of Work Time During Public Holidays – Professor Rose, University of South Australia*

- a) People are more familiar with national public holidays.
- b) People rate state based public holidays more much less important to them than national public holidays.
- c) Employees value their time at precisely their current wage rate when it comes to working on public holidays.

3. *Penalty rates and the retail, café and restaurant; and hairdressing and beauty industries – Professor Lewis, University of Canberra*

- a) The Australian economy is dominated by the service sector, in which casual work is the norm for many businesses.
- b) The social mores which defined Australian society have changed radically over time, including the growth in participation in education and the consequent supply of part-time and casual labour.
- c) Although most employees do value time on Sundays and Public Holidays more than time on weekends, the premium is much less than the current penalty rates.
- d) If penalty rates decrease, some employees may receive overall higher total earnings since the potential to work a greater number of hours will increase.
- e) The reduction of penalty rates would result in a greater choice of shifts available.
- f) The reduction of penalty rates would provide increased opportunities and flexibility would allow students and parents to better balance work and other commitments.

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