



MELISSA PRICE MP

Federal Member for Durack

Justice Iain JK Ross
President
Fair Work Commission
Level 4, 11 Exhibition Street
Melbourne VIC 3001

Dear Justice Ross

I write to you regarding an issue that many small business owners in my electorate of Durack experience; the impact of penalty rates on profitability. I met with some small business owners from Geraldton to discuss issues they face and a common concern was the complex penalty rate system for employees.

During my meeting, the argument presented was that the current penalty rates for employees offers a very complicated system that often acts as a deterrent to employers. I believe many small business owners in Durack consider that by having so many tiers of penalty rates it dictates employers' opening times not only on the basis of demand but also on the variation in cost.

I believe the current penalty award rates are:

- Full-time and part-time employees; Weekdays 100%, Saturdays 125%, Sundays 150% and public holidays 250%.
- Casual employees level one and two; Weekdays 125%, Saturdays 150%, Sundays 150% and public holidays 250%.
- Casual employees level three to six; Weekdays 125%, Saturdays 150%, Sundays 175% and public holidays 250%.

Further, these rates are also subject to change depending on the employee's normal working hours.

From my meeting I found that many businesses in the retail and hospitality industries simply do not open on a Sunday or public holiday due to increased wage costs. This is a concern to me as I believe in Durack, Sunday and Public Holiday trading is desired by the constituents.

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[REDACTED], a successful small business owner in Geraldton proposed to me a change from the current multi-tiered penalty rate system to a two-tiered penalty rate system; one rate for normal hours, deemed acceptable, and then a rate for non-standard hours, including public holidays. I believe that this has merit and would result in an increase in business opening hours and therefore employment in Durack.

I respectfully ask you to consider the above proposal as part of the penalty rate debate and I look forward to your response.

Kind Regards



Melissa Price MP
14th December 2015