



AM2014/305
PENALTY RATES CASE

**Chamber of Commerce and Industry of
Western Australia**

Response to Full Bench Statement of 5
April 2017.

21 April 2017

1. Further to the statement issued on 5 April 2017 the Chamber of Commerce and Industry of Western Australia (**CCIWA**) provides the following response to the question raised at 1.5 of the statement as to the factual basis of our view that the proportion of employees who are reliant on Sunday penalty rates is low.
2. In support of this view paragraphs 13 to 20 of our submission of 24 March 2017 refers to several studies and reports that assist in developing a picture of the demographics of those workers engaged in weekend work
3. Paragraph 13 of our submission refers to data from the *Household, Income and Labour Dynamics in Australia* (HILDA) surveys, cited by the Productivity Commission in its Workplace Relations Framework inquiry report, which demonstrates the dominant role students have in the performance of weekend work as shown in the table below.¹

Table 11.3 Role of students as suppliers of labour on weekends
By industry, 2013^a

	<i>Both weekends and weekdays</i>	<i>Only weekdays</i>	<i>Only weekends</i>
	%	%	%
Accommodation & food services	43.5	34.6	92.5
Retail	32.6	15.3	88.8
Arts & recreational services	19.9	24.6	50.9
Mining	6.5	14.7	0.0
Health	18.8	16.0	30.7
Other industries	14.2	11.4	61.4
Total	23.6	13.2	76.0

^a The shares are of the totals for a given industry and type of working arrangement. For example, 92.5 per cent of employees who worked only on weekends in the accommodation and food services industry were part or full-time students.

Source: HILDA wave 13, 2013.

4. The above table shows that 92.5 per cent of all employees who work only on weekends in the accommodation and food services industry and 88.8 per cent of retail employees, compared to 76 per cent of employees across all industries. However, students are less likely to work only on weekdays. Of those who work on weekends and weekdays, students also form a higher proportion of employees in the accommodation and food services industry (43.5 per cent) and retail industry (32.6 per cent) compared to 23.6 per cent across all industries.

¹ Productivity Commission (2015) [Workplace Relations Framework \(Vol 1\)](#) p430.

5. The Productivity Commission also noted that “a significant long run shift in the labour market ... is the growing rate of employment of people while they are studying” and that the expansion of the retail and hospitality industries “associated with relaxed trading hour restrictions and greater consumer preferences for these services has created a new labour market for flexible labour, which is ideally suited to students wanting part-time employment, especially during weekends (table 11.3) and to people with child-caring responsibilities during weekdays.”²
6. Our submission at paragraph 14 refers to the *Australian Work and Life Index* (AWALI) survey conducted by the University of South Australia. As shown in the table below the report shows that across all industries younger workers aged 18-24 were more likely to work on evenings or weekends (57.8 per cent) than any other age group.³

Table 3: Percent of employees who worked unsocial hours, by gender and by age

	Evening & weekend	Evening only	Weekend only	No weekend or evening	Total n
Gender					
Women	10.6	4.5	18.8	66.1	1,124
Men	15.5	7.0	19.4	58.2	1,190
Total	13.1	5.8	19.1	62.0	2,314
Age (years)					
18-24	17.7	5.6	34.5	42.2	339
25-34	13.4	5.5	14.7	66.4	559
35-44	11.6	7.4	13.0	68.0	500
45-54	12.3	5.0	19.2	63.5	496
55-64	12.1	5.5	18.2	64.2	346
65+	8.3*	2.8*	27.8	61.1	72
Total	13.1	5.8	19.1	62.1	2,312

Note: *Estimate unreliable, fewer than 20 cases.

² Productivity Commission (2015) [Workplace Relations Framework \(Vol 1\)](#) p429.

³ Daly, T. 2014, [Evenings, nights and weekends: Working unsocial hours and penalty rates](#), Centre for Work + Life, University of South Australia, p9.

7. In addition, the table below from the same report identifies that in terms of household composition single employees without children were more likely to work these hours (42.7 per cent).⁴

Table 4: Percent of employees who worked unsocial hours, by household

	Evening & weekend	Evening only	Weekend only	No weekend or evening	Total n
Household					
Sole parent	8.6*	4.9*	13.6*	72.8	81
Couple, with children	11.2	7.5	14.2	67.1	787
Couple, no children	13.2	4.6	19.5	62.7	636
Single, no children	14.1	4.8	23.8	57.3	644
Total	12.6	5.7	18.6	63.1	2,148

Note: *Estimate unreliable, fewer than 20 cases.

8. This study also identified that of those employees who receive penalty rates for working on weekends or evenings, 65.3 per cent do not rely on the additional rates for meeting household expenses. In the case of young workers (18-24 years) the proportion of employees who did not rely on penalty rates increased to 78.5 per cent.⁵

Table 9: Employees' unsocial work hours, receipt of and reliance on penalty rates, and continued unsocial hours work without payments

	Receive pay %	Total n	Rely on pay %	Total n	Continue if not paid %	Total n
When regularly work non-standard hours						
Weekends	51.4	438	37.8	225	39.7	219
Evenings	42.1	133	47.3	55	34.0	53
Weekends & evenings	55.6	302	48.8	168	38.6	166
No regular weekends or evenings	39.4	796	22.3	310	36.8	304
Total	45.7	1,669	34.6	758	37.8	742
When regularly work non-standard hours						
Saturday only	51.1	231	27.7	119	37.1	116
Sunday only	55.8	43	52.2	23	37.5	24
Evenings only	42.1	133	47.3	55	34.0	53
Saturday & Sunday	50.6	164	48.2	83	44.3	79
Saturday & evenings	42.7	89	44.7	38	39.5	38
Sunday & evenings	42.1*	19	75.0*	8	33.3*	9
Saturday, Sunday & evenings	63.2	193	48.4	122	38.3	120
No regular Sat, Sun or evenings	39.4	796	22.3	310	36.8	304
Total	45.7	1,668	34.6	758	37.8	743

Note: *Estimate unreliable, fewer than 20 cases.

⁴ Daly, T. 2014, [Evenings, nights and weekends: Working unsocial hours and penalty rates](#), Centre for Work + Life, University of South Australia, p9.

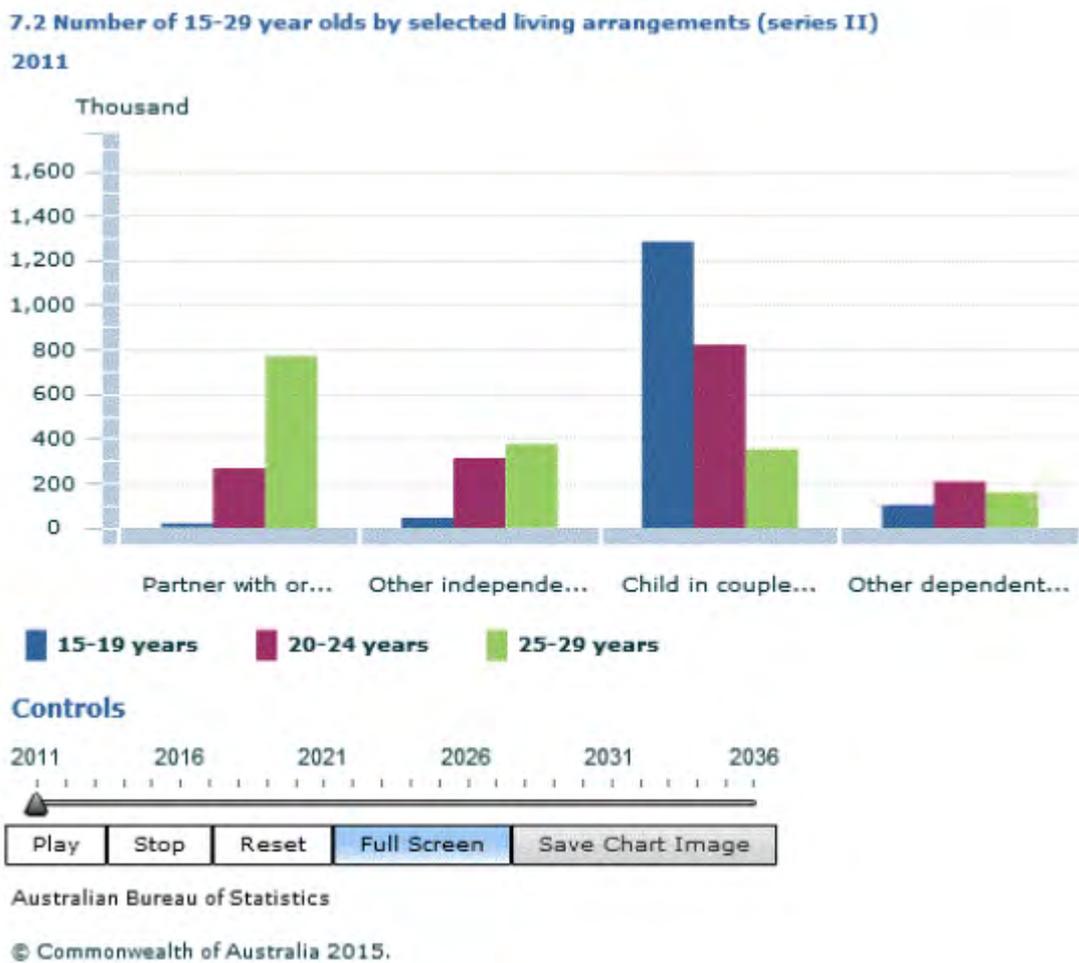
⁵ Ibid, p14.

9. We believe that this is reflective of the proportion of younger workers who live with their parents.

10. At paragraph 60 of our submission we reference the ABS’s *Household and Family Projections, Australia, 2011 to 2036* which examines living arrangements by age group, which states:

“The ages of 15-19 years and 20-24 years reflect the time of transition away from living as a child in a one parent or couple family to other living arrangements such as group households or as a partner in a couple family (with or without children). In 2011, the most common living arrangement for 15-19 year olds was living as a child in a one parent or couple family (88%). For 20-24 year olds, this was still the most common living arrangement, but represented only 51% of people in this age group. A further 17% of 20-24 year olds were living as partners in couple families either with or without children, and 13% were living as group household members. These patterns were projected to be similar in 2036”.⁶

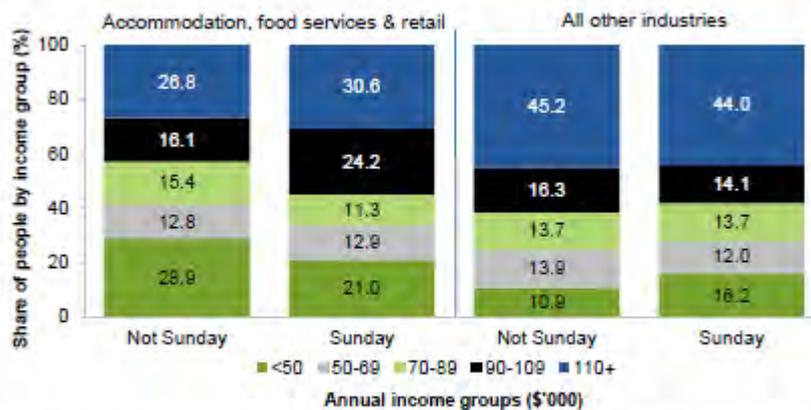
11. The high proportion of persons under the age of 24 living in a one parent or couple family is reflected in the following graph:



⁶ Australian Bureau of Statistics (2015) [Household and Family Projections, Australia, 2011 to 2036](#). Cat # 3236.0.

12. At paragraph 17 we reference the Australian Work and Life Index survey, as quoted by the Productivity Commission, which shows the distribution of Sunday workers across different household earning groups, as shown in the table below.⁷ As highlighted by the Productivity Commission 47 per cent of people working often or nearly always on weekends in the retail and hospitality industry are living in households earning more than \$90,000 per annum.

Figure 14.7 Household earnings of Sunday employees 2014^a



^a A Sunday worker is someone who often or almost always works on Sundays. Sample sizes are small for Sunday workers, so the results are less reliable than those who work on other days.

Source: Derived from the AWALI survey.

13. The above table identifies that a larger proportion of workers who work on Sundays live in households whose combined earnings are over \$90,000 per annum compared to those who don't work on Sundays. It also shows that a higher proportion of workers in lower income households do not work on Sundays.
14. At paragraph 18 of our submission we also reference the Fair Work Commission's industry profile reports which show that the concentration of workers aged between 15 and 24 years is greater in the accommodation and food services industry (44.2 per cent) and retail trade industry (32.3 per cent) compared to the 'all industry' average of 15.0 per cent. This data is shown in the tables overleaf.⁸

⁷ Productivity Commission (2015) *Workplace Relations Framework (Vol 1)* p486.

⁸ Fair Work Commission, (2017) *Industry Profile – Retail trade*, Table 5.2,p42 and Fair Work Commission (2017) [Industry Profile – Accommodation and food services](#), Table 5.2, p27.

Table 5.2: Employed persons by age, August 2016

Age (Years)	Retail trade		All industries
	No. ('000s)	Percentage of employment	Percentage of employment
15–19	174.7	14.6	5.3
20–24	211.1	17.7	9.7
25–34	255.8	21.4	23.5
35–44	190.7	16.0	21.8
45–54	192.7	16.1	21.2
55–59	76.5	6.4	8.7
60–64	53.1	4.4	5.9
65 and over	40.1	3.4	3.8
Total	1194.7	100.0	100.0

Note: All data are expressed in original terms.

Source: ABS, *Labour Force, Australia, Detailed, Quarterly, Aug 2016*, Catalogue No. 6291.0.55.003.

Table 5.2: Employed persons by age, August 2016

Age (Years)	Accommodation and food services		All industries
	No. ('000s)	Percentage of industry employment	Percentage of total employment
15–19	211.7	25.2	5.3
20–24	160.0	19.0	9.7
25–34	185.5	22.0	23.5
35–44	109.1	13.0	21.8
45–54	96.5	11.5	21.2
55–59	38.9	4.6	8.7
60–64	23.2	2.8	5.9
65 and over	16.4	1.9	3.8
Total	841.3	100.0	100.0

Note: All data are expressed in original terms.

Source: ABS, *Labour Force, Australia, Detailed, Quarterly, Aug 2016*, Catalogue No. 6291.0.55.003.

15. The above data leads us to our conclusions that a significant proportion of those workers who are engaged in Sunday work are living in households which reduce their reliance on penalty rates for meeting everyday living expenses.