

The Hon John Rau MP

17IR0091

23 March 2017

Justice IJK Ross AO
President
Fair Work Commission

By email: amod@fwc.gov.au

Dear President

Four Yearly Review of Modern Awards – Penalty Rates – AM2014/305

I refer to the decision of the Fair Work Commission (the Commission) to reduce penalty rates in the hospitality, retail and fast food industries modern awards. The Commission is now accepting submissions on transitional provisions in order to mitigate the hardship caused to employees.

As the Commission has stated, this decision will cause hardship to workers.

This decision resulted in a reduction of penalty rate percentages for some of the lowest paid workers in Australia, has reduced the take home pay of some of Australia's lowest paid and award reliant workers which is unacceptable to the Government of South Australia.

The Government of South Australia is extremely disappointed with the Commission's decision which will impact on a number of South Australian workers and their families.

The Government of South Australia has always supported the payment of penalty rates to supplement base wage rates. They are important for low income earners reliant on awards. Many people work unsociable, irregular or unpredictable hours for penalty rates to supplement their wage to attain a reasonable standard of living.

As I indicated in my initial submission to the review, the Government of South Australia, at the time of referring its powers relating to workplace regulation to the Commonwealth for most private sector entities, it did so on the basis of the fundamental principle of a strong, simple and enforceable safety net of minimum employment standards. Reducing penalty rates will serve to erode this safety net.

I respectfully submit, on behalf of the Government of South Australia, that the Commission should not be considering a transition period or start date to reduce penalty rates, that it should reconsider its decision and restore previous rates payable to workers who need it the most.



**Government
of South Australia**

Deputy Premier
Attorney-General
Minister for Justice Reform
Minister for Planning
Minister for Industrial Relations
Minister for Child Protection
Reform
Minister for the Public Sector
Minister for Consumer and
Business Services
Minister for the City of
Adelaide

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I understand these points will also be highlighted in the submission from the Federal Opposition, to which the South Australian Government wholeheartedly supports.

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Rau', written in a cursive style.

John Rau
Deputy Premier
Minister for Industrial Relations