



MICK GENTLEMAN MLA

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Award Modernisation Team
Fair Work Commission
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Dear Sir/Madam

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

Thank you for the opportunity to make a contribution to the Four Yearly Review of Modern Awards on the matter of penalty rates. I am writing to express the ACT Government's opposition to changing the penalty rate arrangements in the hospitality and retail awards under review.

I understand that various business and employer organisations, including the Australian Chamber of Commerce and Industry, the New South Wales Business Chamber, and Australian Business Industrial have filed written submissions in the above proceedings seeking to:

1. reduce the public holiday penalty rate for full-time and part-time employees employed under the Restaurant Industry Award 2010 (the Restaurant Award) and the General Retail Industry Award 2010 (the Retail Award) from 250% to 200%;
2. reduce the public holiday penalty rate for casual employees employed under the Restaurant Award and the Retail Award from 250% to 125% (including casual loading);
3. reduce the Sunday penalty rate for all employees employed under the Retail Award from 200% to 150% (inclusive of casual loading); and
4. vary the relevant pay rates for employees who receive time off in lieu when they work a public holiday under the Restaurant Award, so that employees would receive 100% of their ordinary pay for working the public holiday, while also receiving time off in lieu.

The ACT Government does not support these claims or any variation to the current penalty rate regime.

Penalty rates are a representation of our social contract and have been part of Australia's social and economic fabric for more than 100 years. They form part of the economic foundation of our standard of living, which also includes the minimum wage, pensions, public transport, accessible education, universal healthcare, and welfare. Any attempt to reduce Sunday penalty rates represents an erosion of this social contract.

Penalty rates have an important and legitimate role in compensating employees and should be maintained for those working long hours or at unsociable times. The ACT does not agree that Sunday penalty rates for hospitality and retail workers should be aligned with Saturday rates.

Paying workers penalty rates for working over the weekend and public holidays benefits businesses in the long term, by increasing disposable incomes.

The majority of workers who regularly receive penalty rates are financially reliant on them. Reducing penalty rates would adversely affect full-time students, low income families, and single parents who are trying to manage the complex challenges of income stability and childcare.

A reduction in penalty rates is effectively asking some of the lowest paid and most vulnerable workers in our community to take a pay cut.

The community expects that if people forego their evenings, weekends, or public holidays to provide services to others, they should be properly compensated. We all benefit from their hard work, and these workers deserve to be properly paid for the work they are doing.

Accordingly, the ACT Government respectfully urges the Fair Work Commission to reject the variations outlined above.

Yours faithfully



Mick Gentleman MLA
Minister for Workplace Safety and Industrial Relations

21/03/16