



# Pay Justice Action

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Committee Secretary  
Senate Education, Employment and Workplace Relations Committees  
PO Box 6100  
Parliament House  
Canberra ACT 2600

## Submission by Pay Justice Action

I am writing this submission on behalf of Pay Justice Action, a grassroots campaigning group of union activists from a diversity of occupations and industries.

We aim to educate, inspire and motivate workers to action in their workplaces and local communities. In particular, PJA is committed to campaigning for wage equality for the lowest paid and most exploited workers including women, young and, Indigenous people, overseas students, temporary and immigrant workers and workers with disabilities. This is because everyone in society benefits when the living standards of the most oppressed and marginalised are raised.

Pay Justice Action strongly opposes any attempt to remove penalty rates from workers employed by small businesses in the Retail, Catering and Hospitality Sectors. We strongly urge the senate committee to consider the vast and adverse impacts this Legislation could have on the lives of working people in Australia.

Australian currently has a gender based pay gap of 17.4%, where a woman can expect to earn \$1 million dollars less than a man over her lifetime based on average earnings.<sup>1</sup> This is in spite of having won the formal battle for Equal Pay for Equal Work in 1972.

The majority of workers in the Retail, Catering and Restaurant sectors are women.<sup>2</sup> Therefore, any attempt to remove pay from a women-dominated industry has the potential to make the Gender based pay gap even wider, with the average earnings of women workers falling further behind men's average earnings.

Pay Justice Action does not believe that workers should be discriminated against on the grounds of who they are employed by. Why does a person working for a large restaurant chain deserve to be paid more than a person working in a small business? Surely these two workers do the same work so they should have access to the same pay and benefits. A central part of Australia's modern award system is the very simple yet effective principle of Equal Pay for Equal Work.

By removing the rights of workers employed by small businesses you create a two-tier system of workers' rights and entitlements when the main focus should be on ensuring that all workers have access to the same basic benefits – and a key part of these basic benefits in these sectors is access to adequate penalty rates.

Penalty rates are the compensation that workers receive for working unsociable and variable hours.

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<sup>1</sup> Australian Bureau of Statistics (ABS), Average Weekly Earnings – Trend data, February 2012 (released 17/5/12)

<sup>2</sup> Department of Education, Employment and Workplace Relations (DEEWR), Australian Jobs Report, 2012

I worked in the Hospitality sector for over 5 years and can testify to the effect that working long and unsociable hours can have on many people's lives. I worked with mothers who could only rarely spend time with their children for a full weekend. I saw marriages and partnerships under stress due to the inability of many hospitality workers to attend family events and mark major milestones such as an anniversary or birthday. I lost touch with good friends who couldn't understand that I wasn't going to be available to go to a movie or to dinner at the time that suited everybody else.

Workers in these sectors are already among the lowest paid workers in Australia<sup>3</sup> – and many rely on the extra income earned from penalty rates to meet their basic needs such as food, housing, clothing, transport and utilities. To take away income from these workers in the face of rising cost of living pressures would force many into poverty as they would no longer be able to meet many of their basic needs.

In addition, the work that takes places out of standard business hours often leads to greater living costs – public transport can be difficult, dangerous or simply not available after-hours meaning these workers need to pay for parking and car upkeep where many 9-5 workers in major cities do not. Childcare that is available after hours is often expensive, and many workers are forced to pay for care in their own homes while they are at work. Why would anyone want to take money away from these people?

Finally, Pay Justice Action believes that the provision for the payment of penalty rates only after working 10hours per day or 38 hours per week has the potential to create unsafe and dangerous working conditions.

As many workers rely on Penalty rates as part of their income, workers will seek to work excessive amounts of hours in order to qualify for them.

Currently, restaurants, catering and retail businesses are among Australia's most dangerous industries.<sup>4</sup> This is as a result of the many hazards present in these workplaces including hot liquids, cleaning chemicals, wet areas and naked flames.

It has also been shown that fatigue can play a big part in contributing to workplace accidents. What will be created is a situation where a young woman working in a small restaurant will be forced to work for 10 hours to qualify for penalty rates – remembering that this work day has been spent on her feet, carrying heavy loads and dealing with the all-too-common vitriol and abuse from the public that service workers experience every day. At the end of this 10 hours the young woman is heavily fatigued but she pushes on because she wants to start earning penalty rates – now what happens when she needs to clean the hot oil? Or rush quickly through a wet area? Or pour chemicals into a bucket of scalding water? She will not be focused and she has a higher chance of having an accident.

There are many, often unappreciated, sacrifices that the hardworking restaurant, catering and retail workers make in our society – penalty rates should not be one of them!

Yours Sincerely,

Pay Justice Action Team

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<sup>3</sup> ABS, Employee Earnings and Hours Report, May 2010

<sup>4</sup> ABS, Work-Related Injuries Report 2009-10, 2010