



NEWS RELEASE: 21 December 2015

Government's Productivity Commission attacks low paid workers

Hundreds of thousands of workers and their families will struggle to make ends meet if the Government adopts the Productivity Commission recommendation to cut penalty rates for retail and hospitality workers.

The final version Federal Government's Productivity Commission Report into the Workplace Relations Framework, officially released today, recommends cutting penalty rates for workers in industries such as retail, fast food and hospitality, which it describes as *non-skilled* or *semi-skilled*.

Unions today called on the Prime Minister, Malcolm Turnbull, to immediately dismiss the report's recommendations and rule out any attack on penalty rates over the life of his Government.

Quotes attributable to Gerard Dwyer, National Secretary of the SDA – the union for retail, fast food and warehouse workers:

"Not only are penalty rates very often the only reason a worker will give up time with their family to work on a weekend, but they're also often the only things helping workers make ends meet. If the Prime Minister adopts these recommendations, he'll be knowingly making life incredibly difficult for hundreds of thousands of families across the country.

"To suggest that Sundays are no longer important and that workers shouldn't be adequately compensated for giving them up is completely ridiculous.

"Malcolm Turnbull now has an important question to answer – will he be willing to fight an election on a platform of cutting low paid workers' rights and pay? Or will he do the right thing by low paid workers and completely rule out a cut to penalty rates?

"We have always said the Productivity Commission review was a Trojan horse to attack workers' rights, and this is proof of that.

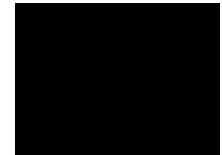
"By adopting the recommendation to create a two-tiered penalty rate structure, the Prime Minister would be creating a second-class workforce. He would be telling hard working people in industries like retail and hospitality that they are less important than the rest of Australia."

Quotes attributable to David McElrea, Assistant National Secretary, United Voice:

"Regardless of what they are saying in public, the employers pushing for a pay cut for some of the lowest paid workers in the country, know all too well that this is about increasing their profits: nothing more and nothing less.

"There are a lot of workers across the country waiting anxiously to hear if their wages will be cut.

"That's why he must now set the record straight on where his Government stands.



“Prime Minister Turnbull has said repeatedly people should not be worse off under any changes to the system.

“It’s not good enough for him or his Minister, Michaelia Cash, to hide behind the Fair Work Commission.

“Australia’s two million hospitality and retail workers and their families deserve better from the Prime Minister of this country.”

Quotes attributable to the Brett Holmes, General Secretary, NSW Nurses’ and Midwives’ Association:

“This is the commencement of an attack on penalty rates starting with our colleagues in retail and hospitality.

“We have no doubt this attack on penalty rates will eventually flow to our sectors of health and aged care, where on average penalty rates overall comprise 20 per cent of a shift-working nurse’s take home pay.

“Even if the Turnbull Government just focused on Sunday penalty rates, for nurses in NSW that’s a pay cut of 2.5 per cent or a loss of \$1,548 per year.

“When business thinks this is a good idea, they ought to think about the \$150 million in NSW, or \$359 million nationally, that would be lost as a result of changes to Sunday penalty rates for nurses and midwives.

“In aged care, this would be yet another attack on low-paid workers.”

Further information:

SDA: Alana Mew, 0419 929 722
 United Voice: Nada Vlatko, 0425 242 691
 Nurses: Ghia Hayne, 0488 015 317

Examples of impact on hospitality workers of Productivity Commission recommendation to reduce Sunday penalty rates to 150%:

	Standard hourly rate	Current weekly income*	Proportion of wages from Sunday work	Amount lost per week under Productivity Commission recommendation	Proportion lost per week under Productivity Commission recommendation
Mary, Bar Manager, full time	\$21.96	\$967.04	37%	\$52	5.38%
Rachel, Apprentice Chef, full time	\$11.07	\$556.32	29%	\$23.53	4.6%
Jenny, Chef, casual	\$26.74	\$1,403.70	33%	\$66.85	4.75%

**Representative income, as hours and income varies from week to week*