



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**Federation Chamber**

**PRIVATE MEMBERS' BUSINESS**

**Penalty Rates**

**SPEECH**

**Monday, 10 October 2016**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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# SPEECH

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**Questioner**  
**Speaker** Chesters, Lisa, MP

**Source** House  
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**Responder**  
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**Ms CHESTERS** (Bendigo) (17:54): I move:

That this House:

(1) notes that:

(a) penalty rates:

(i) continue to be a fundamental part of a strong safety net for Australian workers, enabling those in low income and highly casualised industries to share in the nation's economic prosperity; and

(ii) are not a luxury—they pay the bills and put food on the table for up to 4.5 million Australians relying on them; and

(b) reducing the penalty rates of low-paid workers will negatively impact the economy as a whole;

(2) acknowledges that:

(a) hospitality workers are in the bottom 30 per cent of Australian income earners;

(b) along with hospitality and food services, retail has the largest proportion of low paid workers in Australia; and

(c) women comprise a disproportionate share of workers in both the retail and hospitality sectors, accounting for 55 per cent of all employed;

(3) condemns the Government's failure to protect penalty rates, particularly given continued record low wage growth; and

(4) calls on the Government to protect penalty rates by joining with the Opposition in making a submission to the Fair Work Commission, arguing strongly that penalty rates should not be cut.

If penalty rates are cut, it is entirely the fault of this government. This government, in the last term and this term, have failed. They have failed to stand up for working people and they have failed to protect penalty rates for some of the most vulnerable people in our community.

I note the members opposite have already started to giggle and laugh. The 4.5 million Australians who rely on penalty rates are not laughing. They are not laughing that this government have failed to join the Labor opposition and make a submission to the Fair Work review into penalty rates, arguing strongly that they should not be cut. These 4.5 million Australians who rely on penalty rates are low-paid workers, the majority of whom are women. Particularly under the gun and targeted at the moment are hospitality and retail workers. Hospitality workers are at the bottom 30 per cent of Australian income earners. Hospitality and retail workers have the largest proportion of low-paid workers in Australia, and 55 per cent of these workers are women. Why on earth would the government not stand with these hardworking Australians?

I will put it into context for government members about what it means for somebody earning penalty rates. Last year I had the great privilege of meeting many of these workers and learning firsthand about their experiences and about what they actually spend their wages on. These people said that earning penalty rates is how they pay their rent. It is how they pay their rates notice. It is how they pay for their children's basketball or ballet lessons. These are not luxuries; these are the realities of life.

A critical point that government ministers and government members have forgotten is that people on penalty rates are quite often our low-paid workers. So, when you cut their penalty rates, you cut their take-home pay—and the reality is that this is what is being proposed. Why the government is to blame is because, during the last term, we had several backbenchers standing up advocating a cut in penalty rates. The former Prime Minister and the current Prime Minister declared that the weekend was dead and advocated a cut in penalty rates, ignoring the research, ignoring what is being suggested and ignoring the voices of ordinary workers who are saying, 'If you cut my penalty rates, I'll slide into poverty.'

There is no economic analysis that proves that cutting penalty rates will in fact increase jobs. This is just some rhetoric that the government like to throw out there. It will not increase jobs. For the few businesses that may open on a Sunday, if penalty rates are cut, it may create some extra work for one person on a Sunday—but it does not create jobs. Anyone who suggests that is either kidding themselves or misleading their own constituencies and this parliament. Cutting penalty rates will not increase jobs, and there is no study that has proven that to be otherwise.

A research report from the McKell Institute demonstrated that, if you cut penalty rates, you take money out of the local economy, in areas like my own electorate of Bendigo. This research said that millions of dollars would be cut from local economies. As one small business owner—who does open seven days a week—said to me:

If you cut penalty rates then people won't come into my store. The very people that I serve in my restaurant are the very people who also earn penalty rates. So therefore they have the disposable income to come into my restaurant.

The government are narrow sighted and are only listening to one side of the debate. In the last parliament and in this parliament we have seen time and time again the government ignoring the voices of workers and listening to their mates in big business. They are not listening to the people who will be most affected by a cut in penalty rates.

Again we call on the government to do all they can to protect penalty rates. Again we call on the government to join the opposition and make a submission to the Fair Work Commission and argue strongly for protecting penalty rates and arguing strongly that penalty rates not be cut. The Fair Work Commission have again put off releasing their report, calling for more submissions to be made. So, clearly, they are not convinced by the government's rhetoric that cutting penalty rates will be good for workers. The government need to drop their case against the lowest paid workers, support our lowest paid workers and defend their penalty rates.

The DEPUTY SPEAKER: Is the motion seconded?

**Mr Swan:** I second the motion and reserve my right to speak.