

I would like to make a submission in favour to keep penalty rates and a high minimum wages. Before I make my arguments for penalty rates in point form below; I want the Productivity Commission to look at what businesses can claim back on tax. As a tax payer I believe taxpayers subsidise companies too much as they can claim deduction on machinery, building, finance, etc. I believe the Productivity Commission should look at the whole economy and just at the workers wages and condition. Plus look at get rid of Family Trusts as I think they are big tax havens for the super rich. Also make Multi-National companies pay their fair share of tax.

During this review I believe the Productivity Commission should also look at putting a value on the Environment and Social issues. One of the Social issues is having two parents working and uncover out what does that cost their children in parental guidance and family coherence overtime and if it may cause any social problems for children when they become teenagers? There are many other social issues that need to be balanced against economic requirements. The same with Environment issues that need to have a price put on them. One example is when Developers build new housing estates; that part of the price needs to cover a bush corridor for animals, such as wombats, etc, can migrate to another area. There many other Environment and Social issues that needs to be considered that I do not have time to get into now but needs to be developed in the near future.

You can not see Social and Environmental costs straight away on a spread sheet. But they are hidden until a child is admitted to hospital due to drug related problem or a suburb is found to be contaminated from a previous chemical company waste 40 or more years ago; with the cost to rehabilitate the land. These are real costs that you never see on a company's balance sheet at industrial tribunals considering workers wages, but the Australian community has to pay year's later repair the damage is done by businesses trying to get the cheapest outcome now.

- Weekends are still very important to Australians because it is time to spend with children and family; as school is still Monday to Friday 9am to 3:30 pm; most sports are played on the weekend; most religious people attended their place of worship on the weekends; most plays and concerts happen on the weekend; friends and family gather on the weekends; most social events like weddings, birthday parties and other celebrations happen on the weekends. So to say people weekends are out dated is not true. If people had choice between working Monday to Friday or working weekends for the same money, I know which the majority would choose. The main reasons people work weekends is for the penalty rates; I know that is the reason why I work weekends. You miss out on so many social activities with friends and family over years by doing shift work that you feel a loner. You see office workers enjoying themselves on the weekend and Friday afternoon at pubs and parties when you have to go to work. If it was not for penalty rates I would leave my job and get a Monday to Friday job.
- Most Australian businesses do not have to compete against overseas companies like the hospitality businesses that all compete on a relative even playing field here in Australia. As they all pay Australian wages and conditions with the same penalty rates. They do not have to compete with other countries with low wages and conditions. So if a business is not making a profit it is due to other reasons and not

just having to pay penalty rates. There are many small businesses that are thriving under the current wage regimen. Minimum wage is \$6.03 for 16 years old up to \$15 for an Adult. If a business cannot make an extra \$120 profit on a Sunday to pay its employee/s penalty rates, then that business should rethink its business plan if they want to be profitable.

- People are struggling now with cost of living, e.g. council rates going up between 7% to 700% (according to A Current Affair a little while ago), Electricity up 10% to 20%, water rates 6% to 20%, Insurance 10% to 20%, and so forth; while wages are lucky to go up by 2.5%. Now you want to reduce their real take home pay by taking away penalty rates. Reducing workers real take home pay will mean less spending in shops which put more pressure on small businesses profits. If you pay people more money then they are able to buy more goods and services. This helps the whole economy when workers are paid higher wages. Having high wages and conditions of work is one of constant factors that have made Australia one of the best places in the world to live and work over the last 100 years or more. High wages and conditions have not stopped BHP to become one of profitable companies in the world. And Rupert Murdoch and Gina Rinehart to become some of the wealthiest people in the world had to pay Australian so call high wages and penalties rates. With good wages come good people to work for you and make them profitable.
- By reducing peoples take home pay it will mean more government hand outs, which puts a bigger strain on the budget. Charities have to do more with less money to help feed and cloth the working poor. There is more chance for people from poor families to end up in crime if they are unable to get a decent wage. In other words we will become more like America where the government subsidise business payrolls by providing workers with government benefits to meet the basics of life because of low wages and conditions. Then you end up with the working poor slums with terrible social issues America has in the slums and we do not want that anywhere.
- What ever happened to enterprise bargaining? If you wipe out penalty rates, what have workers got to negotiate for a higher wage rate?
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- Reducing workers real take home pay will mean less spending in shops which put more pressure on small business. Then this will cause more crime which leads to other social issues that we see in other poor countries.
- There is less public transport on the weekend. So travel time to and from work is greater which means even less time with friends and family. If working late into the evening or early morning start there is no public transport that you catch.
- I believe there other variables that have a greater effect on businesses profitability and survivability then just wages. The following are just some of variables that affect whether a business is successful or not: whether the business has good or poor management, bad government policies on import & export policies stopping Australia

businesses to compete with overseas companies on level playing field, high Government charges, Superannuation payout, consumer worries about high cost of living with low wage rises stopping people from spending, Environmental requirements and many other cost and charges that other countries do not have, that has a bigger impact on businesses bottom line than wages and penalty rates do.

- Australia has nearly full employment and we are importing thousands of people to fill mining jobs and yet the Commission is looking at reducing people's wages. What is going to be the net gain for Australia I ask you? Most well run businesses are making a profit and industrial disputes are at an all time low. So why try to fix something when it is not broken.

I think at current the industrial laws are a fair balanced between the needs of the employer and the equitability for the worker. Being an employee I think the laws are more in favour of the employer and visa versa. But on balance the current industrial laws are fair for everyone and there is plenty of flexibility for good companies to grow.

My last point is, until politicians and CEO's are willing to work for a flat \$20 an hour, with no penalty rates or expenses, you need to keep your dirty hands off the working poor's penalty rates. Or do you want Australia to have strikes like they have over in South Africa where people working for \$2:50 an hour get shot for wanting a fair days pay for fair days work.

*Regards*

*Graeme R Frappell*