

Andrew L. Steers

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Dear Commissioner,

Australian Workplace Reform Review

Your invitation for public submissions concerning the abovementioned is greatly appreciated. Like so many, my desire is for Australia to continue to prosper well into the future. However, if current employer obligations remain in place, I envision little hope for our next generation of workers. While I am privileged to be earning the bulk of my income from overseas, being able to do some work from my home, I also have a background in urban planning.

Firstly, the mere concept of penalty rates discourages so much small businessmen and women from opening up shop. I speak on behalf of a family of friends who own two small café businesses who tell me they cannot really afford to hire anyone outside the family to help them, except for limited hours per week. (one of those shops is up for sale). After paying for regular overheads, leasing expenses, electricity, etc., it seems to be a waste of time. They have to close their shops for any kind of holiday break, and both shops are located near Nelson Bay, NSW, where there is a lot of customer demand, regardless of the time of year. It is nothing for them to work 12 to 16-hour days, closing shop one day per week.

By GREATLY reducing, or even eliminating penalty rates, businesses would be able to hire more staff. As a substitute, perhaps workplace relation laws could be implemented to allow for incentives for employees to work hard, rather than the burdensome cost of penalty rates.

After living, studying and working in the United States for more than ten years, I enjoyed the opportunity of observing how waiter/waitress staff worked in restaurants. Contrary to popular belief amongst many Australians who holiday in that part of the world, the staff of those restaurants do not get paid the minimum wage. It is significantly less, though it is conducive for staff to please the customer as their main goal. I often left tips higher than 15% if I thought for one moment that that waiter was giving me the efficient, courteous service I hoped to receive. A good waiter/waitress in a reasonable quality restaurant would often receive generous tips, not only making up the difference between what their employer paid them and the minimum wage, but often exceeding that level.

No, I am not suggesting that Australia adopt the U.S. system, but here is clearly a case for providing incentives for an employee in many service industries to work harder. How often do we read of the idea of driving higher productivity for helping our nation? The only time my wife and I receive what I would regard as an acceptable service or better here in Australia whenever we go to a nice restaurant are those restaurants that pride themselves on their reputation. They seem to be few and far between. At times I would love to leave a tip, except, if there is little to no incentive for that employee to work extra hard, the

motivation to pay more does not exist, for either the employer or the customer receiving the service, i.e. in the way of a tip.

However, even during the years I worked in full-time city planning in local government, where I was in a position to negotiate my salary, I managed to upset a local government union member who insisted that I join the union for the betterment of every staff member. What was the point? I did not need to join. The choice was mine, and mine alone, happy with the salary I had negotiated before commencing employment. Not only was I delighted with my professional arrangement, when the day came I was changing careers to head overseas for a while, my employer did not want me to leave.

Unions have done a great deal of good over the decades for the workplace, but exerting too much influence has been conducive to recurring claims of corruption, jobs for the boys, insistence of penalty rates against employers, cash payments for services (unchecked) and threats and intimidation of 'stop-work' on work sites, etc. It thus seems that anything of a 'penalty' in nature is a disincentive rather than being conducive to positive outcomes in the Australian workplace environment.

I look around Devonport, a struggling regional centre here in northern Tasmania, and see small businesses opening for six months to a year, but closing when the short-term lease is due for renewal. Guaranteed, one of the reasons for closing shop is due to what many perceive as restrictive employer obligations, workplace relations, penalty rates, and especially multi-levels of government requirements in paperwork, whether it comes from the ATO or other government departments. It is disturbing to walk around in downtown Devonport and see the number of empty storefronts at present. Being in a region with high youth unemployment does not help, and if employers have to rely upon Federal government funding aide to provide basic training for new inexperienced staff, something is wrong with this idea too.

Philosophically, and perhaps politically, the mere idea of providing some type of monetary incentive for employers and employees alike simply may not be acceptable, full-stop! However, certain tax benefits as incentives for employers to hire more staff could spur even more employment growth. If an employee is happy, it is highly likely he or she is pleased with their employer, and vice versa. If we want a more productive country, any approach to adjusting, or better still, overhauling our workplace relation laws is definitely needed. Get rid of those penalty rates, and substitute them with monetary incentives instead!

Faithfully yours,

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