

23-01-2015

This submission aims to highlight potential problems that would arise IF penalty rates are rescinded and also suggests a remedy to the particular problem of employers profiteering from such a change. In particular this submission addresses the following points:

- unemployment, underemployment and job creation
- fair and equitable pay and conditions for employees, including the maintenance of a relevant safety net

This morning (23-01-2015) on ABC News breakfast the current Employment Minister, Eric Abetz, clearly and unambiguously indicated that the goal of this Productivity Commission Review was not to create a low wage nation but was specifically focused on promoting employment opportunities for Australians.

With this in mind, I contend that some level of legislation **must** be put in place to ensure that employers provide more employment and do not simply profiteer from any changes to penalty rates paid to Australian workers at the expense of the Australian community. A boundless amount of evidence exists of employers seeking to maximise their profits at the expense of their employees, as this story published only yesterday (22-01-2015) indicates (<http://www.abc.net.au/news/2015-01-22/manildra-457/6033054>).

Given, that the potential exists for employers to simply pocket any additional savings from not paying penalty rates to their employees, I propose that measures be taken to:

- record the amount of money that would otherwise have been paid to employees under current penalty rate agreements
- set up a fund, where all money that would otherwise have been paid to employees, is used to fund and maintain a relevant safety net

This would serve the dual purposes of ensuring that employers do not profiteer at their workers expense and ensuring that either more jobs are created (thereby addressing the unemployment, underemployment and job creation issue) or that the relevant safety net is properly funded (addressing the fair and equitable pay

and conditions for employees, including the maintenance of a relevant safety net, issue). Such a system could be achieved at little to no additional expense to employers as hours worked will still be recorded.

In addition, this would do much to ease the passing of such legislation as workers would be able to see clearly that such an alteration was indeed done for the purpose of creating further employment as opposed to the way that it is now seen which is a blatant attempt to benefit employers further at the expense of their employees.

Yours sincerely

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