



## Media Statement | 9 March 2017

Today's report in *The Australian* 'Business calls for inquiry on union involvement in cutting penalty rates' (9/3/17) includes claims by the business community which are wrong and misleading.

Business spokespeople are quick to point to an EBA Sunday rate of 150% but conveniently ignore the higher base rates and other employee benefits in union EBAs. When an EBA has a base weekly rate \$100 per week above the Award this can't be ignored when talking about the applicable Sunday penalty rate. Penalty rates in Awards are an important part of take home pay and enterprise bargaining is about protecting and improving that take-home pay.

Sections of the business community have sought to portray the practice of 'rolling up' penalty rates to secure higher weekday wages and better conditions as comparable to the cut to Sunday penalty rates delivered by the Fair Work Commission. This is comparing apples with oranges.

'Rolling up' penalty rates has been common practice in many industries since the 1980s and endorsed by the ACTU. For employers, it has provided workforce flexibility which the business community itself has requested.

For workers, it has been successful in securing strong wages and conditions while ensuring the total value of penalty rates are retained and spread across the workforce.

In Bunnings as an example, the weekly wage rate is over \$130 higher than the Award. For McDonalds workers, the weekly wage in their union negotiated EBA is between \$45-\$66 a week higher than the Fast Food Award today and that premium is expanding

While small business lobby groups have expressed grievances with what Sunday penalty applies in larger companies they conveniently ignore the higher hourly rates of pay. When small business was presented with a template 'rolled up' rate Agreement ('SDA South Australia Small Business EBA') they walked away. This shows that their real agenda was not a fair package for their employees but rather a desire to cut take-home pay.

The facts are clear. The Sunday penalty rate cut, eagerly pursued by the business community and endorsed by the Turnbull Government is a straight cut to the take home pay of just under one million Australians, without the compensation normally contained in a union negotiated EBAs.

Given the massive, justified public backlash, it is a fact which no business leader or Liberal politician wants to now be responsible for.

Today's comments by business lobby groups in *The Australian* are just another attempt to distract attention away from the deeply unpopular truth that the business community has vigorously pursued and supports slashing the take home pay of Australia's lowest paid workers.

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