



Sunday Penalty Rates Policy

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Purpose

Master Grocers Australia and Timber Merchants Australia (MGA TMA) is an association of family enterprises and privately-owned businesses who operate independent supermarkets, liquor stores, hardware outlets and timber supplies, who are committed to supporting each other and promoting the interests of the independent retail supermarket, liquor, hardware and timber industries.

MGA TMA is a high performing organisation, with a team of professional staff who are dedicated and committed to assisting the members in all aspects of their businesses. We strongly believe in promoting the interests of our members through advocating on their behalf with Federal and State Governments and other administrative organisations and associations, with the objective of achieving outcomes that contribute to the sustainability and success of their businesses.

MGA TMA has developed a series of policies on specific topics that represent the views of our organisation and that affect the livelihood and future growth of our members businesses. Each policy is based on the principles of fairness for employers, employees and the community.

Principles

MGA TMA considers the issue of Sunday Penalty Rates in the light of the following principles:

- MGA TMA understands that in some circumstances penalty rates are justified to compensate employees for working on weekends and on late nights, however these penalty rates must be reasonable for all and reflect contemporary circumstances; and
- MGA TMA supports the need for a balance between the needs of employers and employees when altering penalty rates;

Objectives

The objectives of this policy are as follows:

- To ensure wages and penalty rates are affordable and reasonable for small businesses so that they can remain sustainable;
- To ensure that our members are unhindered in their ability to operate their businesses profitably despite rising wages; and
- To ensure that the decision to reduce the Sunday penalty rates to 50% by the Fair Work Commission is not abrogated by the government and further increases are not implemented.

MGA TMA Sunday Penalty Rates Position

Sunday penalty rates were introduced in 1947 when nearly all businesses closed on Sunday, including shops. The penalties were intended for those who were forced to work. At that time more people went to Church, they did not play sport on Sunday and they stayed at home as it was regarded as a day of rest. Today, times are different and society has changed. Shops are open almost everywhere but high penalties persist.

Earlier in 2017 (February, the Fair Work Commission, after considerable and extensive consultation made a compelling decision that Sunday penalty rates would be reduced from 100% to 50% in a number of Awards. This decision was also upheld by the Full Federal Court in October 2017. This is a massive result for the independent supermarket, liquor store and retail sectors. The savings to members around Australia will amount to approximately \$147m per annum which we know will be reinvested back into their businesses and drive employment growth.

MGA TMA's position is that these reductions must be preserved in order for small business and employment to grow. Employers are restricted in their ability to offer employment because they simply cannot afford to pay the penalty rates that exist in the current award system. They have been buoyed by the decision of the FWC to lower the Sunday penalty rates to 50%, but now they may face further increases to penalty rates on Saturdays.

In order to sustain a viable business, retailers are often forced to work themselves and employ their family members to offset the costs of staff wages on weekends. This is a massive detriment to the family life of store owners. It discourages the expansion of businesses and denies employee job opportunities.

Therefore, it is MGA TMA's position that the Sunday penalty rates reduction of 50% must be preserved and any increases of penalty rates will only be to the detriment of small businesses and employment.

Jos de Bruin



CEO

MGA TMA