

FIGHT FOR YOUR **RIGHTS** **NATIONAL DAY OF ACTION** **MARCH 4TH**



FAQ

Productivity Commission Inquiry and the Threat to Penalty Rates

The workplace relations agenda of the Federal Liberal National government has become clear with the start of the Productivity Commission's Inquiry into "all aspects" of our working conditions. Our rights at work are under attack. Penalty rates are under attack.

WHAT ARE PENALTY RATES AND WHY ARE THEY PAID?

For decades penalty rates have been paid to nurses to compensate for working during times which are inconvenient and anti-social.

They are generally paid to employees who work evenings, nights (also referred to as shift allowances) weekends, or public holidays.

NSW nurses usually get a 12.5% loading for afternoon shifts and 15% for night shifts. Saturday work is generally paid at a 50% loading, and Sunday a 75% loading.

For example an Aged Care RN thereafter, whose hourly rate was normally \$36.07, will receive \$63.12 for each hour worked on a Sunday (i.e. $\$36.07 \times 1.75 = \63.12).

WHAT IS THE PRODUCTIVITY COMMISSION AND WHY IS IT REVIEWING HOW I AM PAID?

"The Productivity Commission is a Federal Government body whose main role is to "hold inquiries and report to" the Federal Treasurer (Joe Hockey) "about matters relating to industry, industry development and productivity". In December 2014 Treasurer Hockey commissioned the Productivity Commission to "undertake an inquiry into the workplace relations framework".

The Productivity Commission has been given a 'blank sheet of paper' to recommend a complete rewrite of the laws and industrial awards and agreements that protect our wages and conditions.

WHY SHOULD I BE WORRIED ABOUT WHAT THE PRODUCTIVITY COMMISSION WILL RECOMMEND?

The Productivity Commission has recommended cuts to penalty rates, the minimum wage and encouraged individual contracts in the past.

The Federal government knows that it is likely to do so again.

The government's aim is to commission a so-called 'independent' report that they will subsequently use to 'justify' changing the workplace laws to favour more employer 'flexibility'.

SO WHY ARE MY PENALTY RATES IN PARTICULAR UNDER THREAT?

Employers in hospitality and retail have made their intentions clear in the media over the last 6 months - they want penalty rates reduced and ultimately abolished. They argue that we are a 24 hour 7 day society and that everyone expects to work and receive services every hour of the day. Therefore, those who work Sundays and nights are nothing special and are undeserving of penalty rates. It is ironic that the main proponents of these arguments are Liberal party politicians and advocates for big business on massive salaries who do not work shifts.

If these employers win the media war, your penalties face the domino effect.

This month it's the Sunday coffee barista's family's livelihood that's under attack, but next year it could easily be nurses.

WHAT IS THE PRODUCTIVITY COMMISSION ACTUALLY PROPOSING?

The Productivity Commission must release a draft Report in June/July 2015.

Its five discussion papers devote a whole section to penalty rates and invite 'submissions' on questions including:

What do the experiences of countries like New Zealand, the U.K. and the U.S. – which generally do not require penalty rates for weekends – suggest about the impacts of penalty rates?

What are the economic effects of current and alternative penalty rate arrangements on business profitability, prices, sales, opening hours, choice of employment type, rostering....?"

The discussion is already biased towards an ultimate outcome of changing penalty rates.

HOW WILL IT AFFECT ME? HOW MUCH OF MY INCOME WILL I LOSE?

A full time RN8 in the public health system working an average rotating roster could lose more than 20% of their gross income. A full time RN8 in the public health system working largely nights and weekends could lose up to 30% of their gross income with the abolition of penalty rates.

Nurses who only work on weekends would see their wages slashed by at least 50%. These losses are further exacerbated once you take into account the possible loss of penalty rates on public holidays.

A nurse in the private sector (aged care and private hospitals) whose roster comprised of afternoon and weekend work would typically lose approximately 25% of their gross weekly income. The impact would be greater if they work nights and public holidays.

I AM A NURSE AT AN AGED CARE FACILITY AND I HAVE AN AGREEMENT THAT INCLUDES PENALTY RATES – AREN'T I PROTECTED?

No – not if the government changes the industrial laws.

The Federal government has given the Productivity Commission a license to recommend wholesale change of Australia's industrial laws. Under Workchoices, the Federal Liberal National government passed laws overriding many existing award and agreement conditions with the stroke of a pen. Relying on

Productivity Commission recommendations, it is highly likely that they would do the same again with many of your agreement provisions, including your penalty rates.

BUT I'M A PUBLIC SECTOR NURSE WITH AN STATE AWARD THAT PROTECTS MY PENALTY RATES. WHY SHOULD I WORRY?

The Productivity Commission has specifically asked: *"Why should workplace relations provisions vary with the public {sector} or private status of an employee?"*

The question opens up the possibility for employers and State governments to water down the public sector wages and conditions like penalty rates.

The current Public Health System award will only protect you while the current laws remain untouched. Should the Productivity Commission recommend the transfer to the Federal IR system, it could happen very quickly with cooperation from the Liberal National State Government. Remember, the current State Government changed state industrial laws overnight to dramatically reduce our workers compensation entitlements and limited our wages to further their own conservative agendas.

WHAT CAN WE DO TO ENSURE WE RETAIN OUR PENALTY RATES?

We can't save our penalty rates on our own, but together we can.

This is an attack on our rights, our incomes, our livelihoods and our families. The time to act is now!

March 4th will be a very important opportunity for us to stand together nationally and send a clear message to government – we won't stand by while our rights are attacked. We can't expect one event to change the attack but each and every time we stand together it sends a strong message to the government.

WHY ARE WE RALLYING ON 4 MARCH WHEN THE PRODUCTIVITY COMMISSION HAS NOT MADE ANY FIRM RECOMMENDATIONS YET?

Waiting till it's too late is not an option.

The Australian newspaper reported on June 3, 2014 that, "major business groups will embark on a community and industrial campaign to cut Sunday penalty rates across a range of sectors".

We need to build our voices in a clear message now. The Government needs to realise that a move to cut penalty rates will cost it dearly.