



Why Penalty Rates are Important

Penalty rates have the biggest impact on workers in the service industries like hospitality, retail, aged care, child care and cleaning. In the retail and hospitality industries alone, over 1.1 million workers regularly work on weekends. All five of these industries are generally low paid and are dominated by women and young workers.

Providing Fair Compensation

- Penalty rates compensate workers for the negative impacts that working unsocial hours have on their social life, family and general well-being.
- For the majority of Australians the Saturday-Sunday weekend exists as a period of relaxation and socialising, with 71% of Australians working a Monday-Friday week.
- For employees with children, Saturday and Sunday remain the only two days of the week that their kids aren't at school. They are also the two days of the week that most organised sports are played on and when community events like markets and school fetes are held. If a person is religious Saturday or Sunday may also be a day of worship.
- Weekends are the time of week when friends and family get together to socialise. Many weekend workers miss out on these social gatherings. People who don't work weekends often rely on these workers to serve them at a restaurants, supermarkets or cafés over the weekend.

Boosting the Economy

- Penalty rates play an important role in increasing the pay of the lowest paid workers who use their hard earned money to purchase basic necessities. As such, every additional dollar they earn puts money back into the economy at a greater rate than someone on a higher income. The role that penalty rates play in increasing low wages is good for the overall economy.

Topping up the wages of Low Paid Workers

- Workers who benefit from penalty rates are often the lowest paid workers in the country and the additional payments make a big difference to their take home pay.
- A bartender at the local club (Level 2) gets paid \$648 a week which sits \$432. For hospitality workers, penalty rates represent about 11% of their take home pay which assists top up their low wage.
- A cleaner at the local shopping centre (Level 1) gets paid \$647 a week, a wage that is often topped up with penalty rates.
- Penalty rates play an important role in the household budgets of hundreds of thousands of low paid workers across the country. The removal of penalty rates from workplaces would have drastic impacts on these workers and their family.