

The committee Secretary of the Senate Education , Employment & Workplace Relations.

Senators,

It surprised and alarmed me that there has been a proposal that will remove weekend penalty rates for retail employees, also that the working week be of 38 hours over 7 day, if it were only so simple. I would suggest that you do not go there as there is a dark side with far reaching consequences, i will get to shortly.

First a little background information. Up until i retired 3 years ago i was a full time retail employee. This enables me to give you a complete picture of what has happened over the 40 years.

Up until around around the late 1960 we had what was known as retail price maintenance which allowed employers to make an adequate profit that in turn enabled them to employ full time workers. Retail price maintenance was made illegal as it was perceived as being beneficial to the community at large by allowing prices to be reduced.

This was then followed by the retail sector having one or two sale a year.It was accompanied by the discount electrical retailer who operated on a lower profit margin.

When , i think it was the Whitlam government was in office ,they removed import tariffs on imported goods,this allowed a lot of cheaper goods in upon which full time employment was maintained owing to the lower costs & larger mark ups while at the same time delivering a lower end price.

The results of this have been the virtual destruction of the manufacturing industry,like some type of creeping cancer & its still going on today.

As time has gone by, the aggressive nature of business in having an ever increasing number of sales has resulted a gradual reduction in full time employment to be replaced with part time employment as a means to keep costs down . With profitability being reduced by discounting, the industry then pushed state governments into relaxing trading hours which the went from 9 to 5.30 week day & 9 to 12 on Saturday.Appropriate penalty rates applied to compensate employees for the loss of down time. The line being pushed as the time was that would increase business & creat additional jobs. Still sales were not up to expectations and the push was on for 7 day trading, this time the excuse was that consumers wanted it.In retrospect the additional jobs and the additional business did not materialise.

Sales increased to a regular everyday occurance & despite this profitability is not up to expectations. We now see the almost wholesale dumping of product on a

market that has already been burnt out by the relentless discounting. No regard was ever given to the longevity fo the product & how long it would be before it needed to be replaced in relation to the price being offered.

Business is very self serving, it does not look at the bigger picture and what is best for the common good of all.

It may come as some surprise to you to know that the great depression of the 1930s was preceeded by a similar scenario to that of today, with heavy product discounting , falling demand,excessive trading hours and a decline in wages(no safe guards then ). The stock market crash was the just the catalyst that bought it all to a head.

Should you decide to reduce penalty rates for weekend work, bear in mind that there is a corresponding decline in personal expenditure ie the flow on effect.

I would also point out that retail workers are already amoung the lowest paid.

As for the 7 day 38 hour week, These are human beings not machines, they need down time just like every one else.

It may now be necessary to replace some of the safe guards introduced to protect the industry from itself.

Yours faithfully

Neil White