



EDUCATION, EMPLOYMENT AND SMALL BUSINESS COMMITTEE

Members present:

Ms LM Linard MP (Chair)
Mr N Dametto MP (via teleconference)
Mr MP Healy MP (via teleconference)
Mr BM Saunders MP
Mr DG Purdie MP
Mrs SM Wilson MP

Staff present:

Ms L Pretty (Acting Committee Secretary)
Ms A Beem (Assistant Committee Secretary)

PUBLIC HEARING—INQUIRY INTO THE HOLIDAYS AND OTHER LEGISLATION AMENDMENT BILL 2019

TRANSCRIPT OF PROCEEDINGS

FRIDAY, 25 OCTOBER 2019

Brisbane

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The committee met at 11.21 am.

CHAIR: Good morning. I declare open this public hearing for the Education, Employment and Small Business Committee's inquiry into the Holidays and Other Legislation Amendment Bill 2019. I would like to acknowledge the traditional owners of the land on which we are meeting this morning and pay my respects to elders past, present and emerging.

My name is Leanne Linard. I am the chair of the committee and the member for Nudgee. The other members here today are Mrs Simone Wilson, the member for Pumicestone; Ms Nikki Boyd, the member for Pine Rivers, who has been appointed as a substitute committee member for the member for Maryborough, who is unable to attend; and Mr Dan Purdie, the member for Ninderry, who has been appointed as a substitute committee member for the member for Currumbin, who is unable to attend. Joining us on the phone are Mr Michael Healy, the member for Cairns; and Mr Nick Dametto, the member for Hinchinbrook. They are standing members of this committee.

The committee's proceedings are proceedings of the Queensland parliament and are subject to the standing rules and orders of the parliament. The proceedings are being recorded by Hansard and broadcast live on the parliament's website. All those present should note that it is possible you may be filmed or photographed. I ask everyone present to please turn off mobile phones or switch them to silent mode.

The purpose of this public hearing is to hear evidence from stakeholders who made submissions as part of the committee's inquiry into the Holidays and Other Legislation Amendment Bill 2019. The bill was introduced into the parliament on 19 September 2019 and referred to the committee for examination. The committee will examine the policies the bill gives effect to and the application of fundamental legislative principles as set out in section 4 of the Legislative Standards Act 1992. The committee must report to parliament by 4 November 2019.

The committee has been briefed by the Office of Industrial Relations on the bill and on Wednesday received the department's response to issues raised in submissions. Following its publication, witnesses were provided with a copy of the department's response to submissions. That is also available on the committee's web page.

The program for today's hearing has been published on the committee's web page and there are hard copies available for committee staff. The outline of today is that we have three panels. I thank you very much for attending. We sometimes use panels and sometimes do not. We really appreciate you making your time available, both to provide written submissions and to appear today. Time is always too limited and I apologise for that. We will give you as much opportunity as we can to briefly make comment to the committee, understanding that we have read your submissions so you do not need to re-read those, and then we will open for questions.

BOS, Ms Laura, Communications and Government Relations Manager, Clubs Queensland

FLOCKHART, Mr Doug, Chief Executive Officer, Clubs Queensland

HOGAN, Mr Bernie, Chief Executive, Queensland Hotels Association

LAMBERT, Mr Wes, Chief Executive Officer, Restaurant & Catering Australia

NIPPERESS, Mr Dan, Workplace Relations and Compliance Manager, Clubs Queensland

CHAIR: We will give each organisation five minutes to make an opening statement and then we will kick off with questions. Bernie, would you like to start with an opening statement and then we will move to Clubs Queensland?

Mr Hogan: Good morning, committee members, and thank you for the opportunity to provide input into the committee's consideration of the Holidays and Other Legislation Amendment Bill. The QHA is the peak body for the hotel and accommodation industry in our state. We have over 900 member hotels and accommodation businesses that span the length and breadth of the state and are in virtually every town and regional area. We provide jobs, entertainment and hospitality to Queenslanders and visitors alike. Members include over 900 companies that are not only the traditional pub that you all have in your heads right now but also international accommodation providers and, more importantly, family owned businesses.

The bill proposes to create Christmas Eve as a part-day public holiday. The QHA cannot support this measure. With regard to the decision, it is completely out of touch with the hospitality industry in Queensland and is one that will negatively impact on regional Queensland, small businesses and the Queensland tourism industry. The regulatory impact statement, the consultation RIS, used eight-year-old data from Adelaide for justification. The data is not considered reliable or relevant. It totally disregards the particular challenges in Central and North Queensland. Those communities are already suffering from drought and financial hardship. This will exacerbate that.

The RIS states that there is no statistical information on the intention of employers to employ workers or open their businesses on a Christmas Eve public holiday. In the absence of that collected data, as the industry body representing over 88 per cent of the general licence holders in Queensland we polled our members. I can tell you that 100 per cent told us that their intention will be to reduce staff hours, close and negatively impact the workers of Queensland by reducing their shifts.

Further, the RIS also states there is no readily available and reliable data on the number of people who work on Christmas Eve. Again, considering there is no statistical information as stated, any permanent legislation proposing a part-day public holiday should, at the very least, be delayed until we have gathered that information. The only reliable information to be gained is from South Australia—that lived experience. As our industry colleagues have informed us, the public holiday turned Adelaide into a ghost town. It may reduce the cost of the public holiday by turning it into a ghost town, but certainly it is because fewer people are working.

The RIS further states that the additional wages cost to the Queensland economy for that day is estimated to be in a range of \$41.3 million to an upper-end estimate of \$136.9 million. The preliminary estimate for the Queensland public sector goes from \$9.4 million to \$21.1 million. Those are significant costs and potentially prohibitive as the Christmas trading period is already one of increased wage costs. Obviously, few public servants work in the hospitality industry, so the bulk of this cost will be borne by non-government hospitality businesses.

The QHA contends that it is naive to look at Christmas Eve in isolation. This period is when businesses already face three public holidays: Christmas Day, Boxing Day and New Year's Day. The proposal that an additional \$137 million in wages costs for six hours of trade, or approximately \$20 million an hour, is somehow insignificant shows a disconnect, particularly for this industry, which is a major employer in Queensland.

The final loser in this situation is the broader Queensland community, particularly tourism. If a company cannot afford to open as it would obviously make a loss, a savvy business owner will simply close the doors on that day at 6 pm. Public holiday surcharges are not acceptable to most consumers. They cannot cover the additional costs anyway in the surcharge. The bill creates that perfect storm to kill off small business: increase costs and reduce your customers.

Time frames are a concern for the QHA. It is incredible that the bill proposes that a part-day public holiday could in fact be in place for 2019. If the bill is to pass potentially as late as 28 November, that does not allow sufficient time for rostering and voluntary opting in and out for employees, as they have the right to do. For this period, rosters are typically done four to six weeks in advance.

Many member businesses have already committed their accommodation rates or their function rates based on Christmas Eve not being a public holiday. For example, a 200-person Christmas lunch does not materialise on Christmas morning. All the work is done the evening before. Those costs were embedded in the quotes agreed upon and paid. Now those businesses will make a loss on those functions.

From our perspective, the greatest losses are going to be borne by the workers themselves. The QHA members surveyed without exception said that increasing public holiday wage costs would force employers to rethink their rostering strategies. The people most at risk will be the casual staff, because during this period it is usually the managers, the permanent staff or family members who will end up working. The RIS stated that an increase in wages through penalty rates may actually encourage increased consumer demand through a temporary increase in disposable income. We think that transfer-of-wealth argument is flawed considering that, realistically, as I mentioned before, it will be the salaried workforce that will end up working on that day.

This bill appears to declare Christmas Eve as a part-day public holiday with no real compelling evidence. The experience from the only other state with this arrangement, from firsthand reports, is that every party loses: businesses through loss of income, workers through loss of hours, community through loss of services and governments through loss of taxes. This is exacerbated in central and regional Queensland, where the local hotel is the community's only central meeting point but now will most likely be closed.

Mr Lambert: Good morning to the committee. I thank the Education, Employment and Small Business Committee for providing me the opportunity to be here and put forward the clear position of the restaurant, cafe and catering industry in Queensland on this bill. I note that the Holidays and Other Legislation Amendment Bill 2019 gives effect to the Queensland government's proposal to introduce a part-day public holiday on Christmas Eve from 6 pm to 12 midnight.

Restaurant and Catering Australia is a national industry association representing the interests of more than 47,000 restaurants, cafes and catering businesses across Australia. The cafe, restaurant and catering sector is vitally important to the national economy, generating over \$37 billion in retail turnover each year as well as employing 450,000 Australians. Over 92 per cent of businesses in the cafe, restaurant and catering sector are small businesses employing fewer than 19 people. The Australian Bureau of Statistics data shows that at June 2018 the most recent count of Australian businesses showed 6,173 cafes and restaurants operating across Queensland. The most recent census data shows that 49,488 workers derive their primary source of income from cafes and restaurants, making up 2.3 per cent of the total workforce for the state of Queensland. This sector represents the fourth largest employment sector for employed people in the state of Queensland.

Restaurant and Catering Australia would like to state that we are not opposed to the gazetting of new public holidays in principle. Public holidays are an important part of Australian culture and society. However, Restaurant and Catering does object to one of the important consequences of new public holidays: higher wage costs borne disproportionately by our industry through penalty rates that unfairly penalise small businesses that might seek to open their doors and service customers while they shop. To that end, we would like to state from the outset on behalf of the restaurant, cafe and catering industry that Restaurant and Catering Australia does not support this proposal. Restaurant and Catering Australia believes the primary effect of this bill on our industry will be the forced closure of restaurants, cafes and catering businesses.

Data presented to the Office of Industrial Relations and to the committee from our 2019 benchmarking survey shows that, on average, when presented with a newly introduced public holiday at least a third of restaurants will close. On the most comparable existing public holiday—Christmas—nearly two-thirds of restaurants choose to close their doors. For those that remain open, nearly two-thirds will pass on a surcharge of between 10 per cent and 15 per cent to their customers.

We are also of the view that the proposed bill is out of step with other examples across Australia. The bill seeks to commence the public holiday at 6 pm on Christmas Eve, while existing examples in both South Australia and Northern Territory commence their Christmas Eve part-day public holiday at 7 pm. A small but significant amendment to this bill would be to set the commencement at 7 pm rather than 6 pm, bringing Queensland into line with other state jurisdictions for the Christmas Eve part-day public holiday, which we still do not agree with but at least it should be in line with other states if it is passed.

This proposal means that restaurants that for decades have opened on Christmas Eve to serve customers are now penalised for doing so. Instead, now they are left with no choice but to run at a loss—we have polled many members over many years and they do run at a loss on public holidays because of the 225 per cent and 250 per cent penalty rates to full-time and casual employees; not trade altogether on Christmas Eve; or introduce a surcharge, which is a frustration to all customers. Restaurant and Catering is of the view that this bill is neither workable nor reasonable to the restaurant, cafe and catering business owners in Queensland and as such we do not support this bill.

Mr Nipperess: Thank you, committee, for allowing us to participate in this public hearing on behalf of the Queensland community clubs sector. Clubs Queensland represents the interests of around 1,100 community clubs in Queensland. These consist of your local RSL, surf, bowls, golf, sporting and other cultural clubs. Firstly, I would like to address the issue of the overall cost to the industry. A part-day public holiday will impose a significant financial burden on businesses—importantly, at a time of year when wage costs are already at a high given the number of other public holidays. Our brief consultation with our industry suggests that the overall cost for our industry will be in excess of three-quarters of a million dollars. The overall labour cost in other hospitality sectors will also significantly exceed government modelling estimates, and I echo the comments made by QHA in saying that the RIS draws upon old and inaccurate data.

The real effect, however, in these clubs and other forms of hospitality is that many clubs will simply choose to close their doors so they do not incur a loss. This negatively impacts staff by way of a reduction in overall shifts and it also affects the loyal clients. This also applies to tourists in some areas. Businesses will also choose to roster skeleton staff. Often it will be the salaried workers and owners of these hospitality venues who, by virtue of their salaried arrangements, will not receive penalty rates for working this part-day public holiday.

In short, the government legislating to provide additional financial benefit for the workers will not see that additional financial payment by way of penalty rates for public holidays. The suggestion that a public holiday surcharge be charged is also ill informed, given that the attempted cost-recovery impost does not go close to recovering additional wages—often 2½ times that of the normal rate. It also creates a lot of consumer angst. By creating yet another public holiday, the government is really hurting business and impairing the staff who would prefer to work. On the one hand you have the government spruiking that Queensland is open for business, and on the other hand the government proposes to penalise businesses for opening up with additional cost. I am sorry, but suggesting that businesses absorb this rate just simply does not fly.

Declaring a part-day public holiday also allows an employee to refuse to work the public holiday. This is also a moot point for our industry. Refusal to work is still, under the Fair Work Act, subject to the test of reasonableness. The practical reality in the hospitality sector is that staff who want to work are appropriately rostered. We acknowledge that the requirement to roster must always satisfy the reasonableness test, and overwhelmingly that is the case.

Respectfully, we also question the underlying reason for government legislating the part-day public holiday, following on from Hon. Premier Anastacia Palaszczuk's statement that, while the government cannot restore weekend penalty rate cuts inflicted upon 160,000 Queenslanders by the Turnbull-Morrison government, it can do the right thing for the people of Queensland. If this is a retaliatory act trussed in Christmas tinsel, it places the community clubs sector, which, for the record, has not been the recipient of any reduction in penalty rates, on the game board of political one-upmanship between the state ALP and the federal LNP governments. The clubs industry would be even worse off than other hospitality sectors by paying 250 per cent rather than 225 per cent in terms of the penalty rate for its workers. One possible option that the government might consider in this regard would be applying an exemption for those industries that did not receive any benefit of a penalty rate reduction.

I briefly want to move outside the south-east corner and draw upon the issues raised by the QHA. The businesses that will hurt the most are those in rural and remote Queensland. This is an area of Queensland where we are suffering from severe drought, most recently fire, the residual impact of natural disasters and shifting consumerism. Consultation with regional clubs in Far North Queensland confirms that this proposal will almost certainly see them close at 6 pm on Christmas Eve as they simply cannot absorb or pass on the additional rates.

I mention one particular issue that has not been raised. If this part-day public holiday is legislated from 6 pm, it will be inconsistent with how the part-day public holiday is treated under the federal modern award system, which provides for a part-day public holiday that commences at 7 pm. The inconsistency creates interpretation issues, not just with respect to the payment of penalty rates but also the treatment of payments to employees who have an RDO that falls on the part-day public

holiday or who exercise the right not to work the public holiday. These issues are complex and, with the short time frame available for those employers to understand what their obligations are, simply not enough time has been allowed for them to take advice in relation to these issues.

Comments made that you simply pay the penalty rate just do not take into account the other payroll complexities and the inconsistency with the federal modern award system. I thank the committee for its consideration and the opportunity to appear. Our submission has been provided to the committee. That said, I do welcome any questions.

CHAIR: Thank you all for your opening statements. We will open to the committee for questions now. I just let my fellow committee members know that there will be only a couple of questions each. Because we have a panel, we will try to be quite succinct in our questioning. If you can be quite succinct in your answers, that would be lovely too. I always apologise at these hearings. Time is never our friend. I am sure you all understand a similar pace in your professions.

One of the things that I think is most challenging as a legislator is balancing the competing interests that come before us. What I found interesting in the submissions is that, of course, you are very passionately advocating the position of your stakeholders but there was very little mention, I think, of the competing argument—that is, it has been very popular with the community and had a lot of support, which I saw in the RIS. In fact, I was very interested to know the views of people in my own electorate, and there was resounding support for it. What I read into that is the significance of Christmas Eve to the broader community. I am interested in your views. I appreciate the cost you are raising, but what public holidays do you feel, regardless of the cost, should be awarded to employees, protected and penalty rates paid because of the significance of that day? If it is not Christmas Eve, are there any days about which you would come in here and say, ‘Yes, we think that should be a public holiday and they should be paid more on that day’? I am interested to know: is it this day or is it that broader issue of just cost versus penalty rates?

Mr Nipperess: I think in many cases for hospitality industries it is the collection of public holidays in a group that really causes the biggest financial impost. I would not say that any one particular day has significance over the other. Of course, there are days such as Christmas Day, Good Friday and Anzac Day that have a lot of significance for society. However, if we are looking at Easter as an example, in Queensland there are four public holidays back to back. Now to add a part-day public holiday to Christmas, it is the time of the year when wage costs are significantly high and it is very difficult for businesses to absorb those costs.

Mr Lambert: I reiterate what Dan said and go back to your original question, when you said it is quite popular. It may be popular because there is not an understanding of the additional costs that those businesses will bear. Also, many jobs are 9 am to 5 pm or during the day and our businesses are disproportionately affected because they do most of their trade between 6 pm and midnight. It is great that everyone is happy that you are going to have a part-day public holiday in order to have a part-day public holiday, but it disproportionately affects the small business. Most big businesses, for example Nando’s and Ribs & Burgers, have EBAs so they are not even going to be affected. Huge businesses will not be affected; it is just the small businesses and just hospitality because they just happen to trade at that time. We say, based upon the evidence, that two-thirds of those businesses will close. Who wins? The consumers do not win, the businesses do not win and the employees sure do not win because they lose all the shifts.

CHAIR: I know this was a difficult question for you to answer, but I know none of you are actually going to answer it.

Mr Hogan: I will comment on two sides of it. Your first point was that you were saying you were very interested in your electorate, you asked the question, ‘What do you think about a part-day public holiday?’ and they were 100 per cent behind it. Fantastic! Ask them the next question: ‘What will you do?’ Where will they go, because most people on a public holiday think, ‘I know, we will have a long lunch. We will enjoy ourselves. We will go on a holiday or spend time with our family.’ Where do they go? To a now closed hotel, restaurant or club?

CHAIR: That is actually my next question to the panel. It will have to be my last question, although I have a million questions for you—we all do. We are always restrained, and I know that we can continue these conversations in other realms. What is the nature of trade on Christmas Eve? I think the reason it was so popular, to be frank and honest with you, is that people want to be home with their families. Many of the people who supported it are people who have not had that ability. I know what that experience is like from before I came into parliament. I am married to a person who does not have that opportunity to see our children at those special times. I think there is a very strong

sentiment out there. Can I say, none of this dissipates the strength of what you have put forward, but I am still looking for the balance because it has been one element in terms of workers and how there is a benefit to people being with their families. Is there big trade on Christmas Eve?

Mr Hogan: I would suggest that we need to look at it in two ways. We do think about the workers. Our problem is that workers will actually not be being paid; there will be no workers. The second part is that we need to look at it beyond South-East Queensland. If I am in Collinsville at the Pit Pony hotel—it is fantastic—that is the central point of the community where people knock off on Christmas Eve. They might be on the cattle station outside. It is their chance to come in and connect with their community. That is multiplied by hundreds of pubs throughout Queensland—Ilfracombe, Jericho. There are a squillion of them. They are the central point. If they cannot afford to be open, we are decreasing the amenity for regional Queenslanders because we are viewing it through the eyes of people in South-East Queensland.

CHAIR: Bernie, you do make a good point. Coming from a country family, I appreciate the culture in regional areas. Wes, I am interested in the trade in your sector on from 6 pm and 7 pm onwards on Christmas Eve. Can you speak to the nature of that? I would be really interested to know.

Mr Lambert: We did not present any percentage numbers or dollar numbers in terms of trade; however, Christmas Eve traditionally is a very busy day for restaurants and cafes. As Bernie said, it is when people are in that last bit of shopping. They are eating, meeting their friends and enjoying time after work already. They work all day and then go off to enjoy restaurants, cafes, caterers, pubs, clubs and hotels. We do see an uptick during the entire Christmas period, which ends on Christmas Eve.

CHAIR: Your view is that they will not go out if they have to pay a surcharge?

Mr Lambert: No, the businesses just will not be open, because they cannot afford the 225 per cent to 250 per cent. Two-thirds of our industry closes on Christmas Day because it is a public holiday, not because people do not want to work.

Mr Hogan: Surcharge does not cover it.

CHAIR: I would suggest that Christmas Day, too, is not a day when everybody wants to go out either; it is a different nature. We have to compare apples with apples.

Mr Lambert: That is true. A third of our businesses close on public holidays, regardless of the public holiday.

Mrs WILSON: Thank you all for coming in and, honestly, thank you for your submissions; they have been fantastic. I refer to the consultation that has happened. Are you happy with the consultation—the opportunity that you have had throughout—in terms of the suggested changes?

Mr Nipperess: Thank you for the question. I have to say that the answer is no. We felt that the consultation was very rushed. We felt that the consideration of the submissions was also done incorrectly by way of it assuming numbers rather than the substance of those submissions. When you have peak bodies such as us that represent thousands upon thousands of members and the sentiment that they are giving to us in that feedback, to have that counted as only one submission I think is incorrect. I have read through a number of the other submissions that were provided that would have been considered as a positive submission. Some of them have no merit to them. They do not cite any examples. It can just be a throwaway statement: 'Yeah, screw the boss; this is better for us.' I think to have something like that considered on its merit against something that does draw upon an example about how that might affect a family at home—that is what we need to give effect to.

Mrs WILSON: By any chance, have you met or spoken with the minister with regard to these changes and this legislation?

Mr Hogan: Yes, we did. We were all called in to have a consultation. Exactly as Dan said, it seemed very rushed. To that point, in that meeting we were actually told, 'This is the time frame to get it in for 2019.' It is a fait accompli at that point. That was probably more infuriating to most people there, but, realistically, we want to talk about the merits of it rather than the consultation. It is too rushed. As I said in my opening statement, there are thousands of businesses that will have already planned. They cannot plan it and replan it. That is the consequence that we are more concerned about.

Mrs WILSON: In what month did that meeting take place?

Mr Nipperess: That would have been at the beginning of September.

Ms BOYD: Clubs Queensland, you mentioned in your oral submission today the federal movement in terms of penalty rates for workers in your industry. I should say there was none for your employees. I understand that that is not the case in restaurants, catering and hotels. There has in fact been a penalty rate reduction through the Fair Work Commission over recent times; is that correct?

Mr Nipperess: That is correct.

Mr Hogan: Not entirely across all workers, though.

Mr Nipperess: Full-time and casual.

Mr Hogan: And part-time on Sundays. It is for a very specific part; it is not right across the whole lot.

Ms BOYD: In terms of Clubs Queensland's position, I understand that you sought representation to be included in the reduction of penalty rates across the sector; is that right?

Mr Nipperess: That is correct.

Ms BOYD: How many of you work on Christmas Eve?

Mr Nipperess: I would work on Christmas Eve.

Mr Hogan: I do.

Mr Lambert: I feel like I work 24/7!

Mr Nipperess: Christmas Day phone calls are always good!

Mr Lambert: That is when our members are busiest, and that is when we work the most.

Mr Hogan: It is not unusual for them to be calling, so we work right through.

Ms BOYD: Wonderful. In terms of the position around alignment with the federal jurisdiction, I know that Wes made remarks around the 7 pm and your preferred position is to go with a 7 pm time slot rather than a 6 pm time slot. Bernie and Dan, do you have hold the same view? Would you prefer 7 pm rather than 6 pm in terms of the penalty rate provisions in this bill?

Mr Nipperess: I think that would be the lesser of two evils.

Mr Lambert: My position was that if it was going to happen regardless then 7 pm is in line more federally and with the other states.

Mr Hogan: I think, exactly as Dan said, we would prefer that it did not happen. We see what it has done in South Australia, and I do not think that is a risk I am willing to support.

Ms BOYD: In terms of employees in the sectors you represent, what is your view around perhaps flipping this argument a little bit and having a look at it in terms of social policy rather than economic policy—that, in fact, businesses closing is not necessarily a bad thing because this time is a time that society holds in high value as a time for family and friends to get together, in terms of religious observance, in terms of travelling to get to festive arrangements? What is your take on that?

Mr Hogan: I see your point. With due respect, we are not tasked with looking at the social impact of that. We are here to represent our members. I go back to the same point I made to the chair: where are those people going if they are getting together with family and friends? Maybe at home. If they are travelling, are they going to stop and want something to eat along the way? If it is a long travel, where will they go? We are actually cutting down the amenity of Queenslanders by having them in a situation where there is nowhere to go. In terms of social cohesion, I go back to my point about a regional pub or a club. It does not matter where they are. That is that social cohesion. When you are on a cattle station in the middle of nowhere, your social cohesion is your opportunity to actually get in and meet the community. When is that? It is at times like Christmas Eve. I think we serve a purpose there, but this will make us close.

Mr Lambert: Also, 92 per cent of those businesses are small businesses. Being that it is the fourth largest employer, all of those business owners also have families. That particular time they have budgeted in. They have included that into the amount of money that they make in a year which they use to take care of their families. Based upon the numbers, we are fairly sure that up to two-thirds of those businesses that are open today will close. That has a lot of cultural and social effects.

Mr Nipperess: I think it is also good to look at a recent example, when back in 2016 the Queensland government legislated Easter Sunday as a public holiday, and see the effects that had on staff in hospitality sectors, a great proportion of them casual. The employees did see the changes to rostering structures when that day was declared as a full-day public holiday. Shifts were reduced.

As we have said a few times, small and medium sized businesses in hospitality and retail do draw on skeleton staff and do roster salaried staff members and owners to work these days. The penalty rates that the public holiday is facilitating do not go to the employees who are being targeted.

Ms BOYD: I note that in other jurisdictions there are different public holidays. For instance, when the Northern Territory brought in a public holiday for Christmas Eve it also brought in one for New Year's Eve, with a similar step of logic. Are there public holidays that make more sense for your industry to have, rather than Christmas Eve?

Mr Hogan: The first point is that I struggle with 'step of logic'. That question has been answered by Wes. We do not have an issue with the number of public holidays currently on the calendar. In isolation they go, 'Oh, it's just one more.' We cannot look at it that way. Over Christmas, there are already three. This would make it 3½. This year with Easter and Anzac Day we had four or five public holidays in two weeks. Basically, that means you draw a line through April for every business in Queensland. You cannot afford to do that. That is why we are saying that we do not have an issue with public holidays. Everybody loves a day off. If you ask that exact question, people will say, 'Yep, love a public holiday.' But we are not going to be nominating, 'This one sounds better than that one.' It is not going to happen from our industry.

Mr PURDIE: Dan, Wes and Bernie, you have probably answered my question in a roundabout way. Obviously we all are supportive of workers. Christmas is an expensive time of year and we need to make sure they all are paid accordingly. Are you saying that, if Christmas Eve were made a public holiday in terms of the loading, there is a very real possibility—if two-thirds of your clients close on public holidays—that these workers essentially will not even get paid? Are you saying that, potentially, there are workers who are now on a roster to work Christmas Eve, which they might need to pay for the subsequent Christmas, who will not get paid at all because the people you represent will close their businesses?

Mr Lambert: In the next few weeks we are releasing our 2019 benchmarking report, which is based upon financial year 2019. Of the 15,000 members that we polled, two-thirds close on Christmas Day. That is the closest evidence that we have to Christmas Eve. One-third of them are closed on any public holiday. That means that somewhere between one-third and two-thirds of businesses that are open today will not be open tomorrow. Do the math. That is 4,000-plus businesses in Queensland that will not pay a cent in wages.

Mr PURDIE: Essentially, this could have a negative impact on those workers rather than a positive?

Mr Lambert: Well, if you are talking about 46,000-odd workers, two-thirds of that is a lot of people, a lot of families and a lot of money that they will not have.

Mr PURDIE: Most of us here are from South-East Queensland. Bernie, I appreciate what you said in that your colleagues have said that South Australia has turned into a ghost town on Christmas Eve. Obviously in South-East Queensland we have other offerings like Nando's and the bigger mobs that will not be negatively impacted by this. Bernie, you seem to think honestly that regional Queensland will be more adversely impacted by this, because they will have to shut and people will not have other options. We are talking about social policy and about people getting together with friends and families, but in regional areas not everyone wants to accommodate parties or hospitality at home at the moment. Do you honestly think it will have more of an adverse impact in regional areas than in South-East Queensland?

Mr Hogan: We do. We have just returned from one of our regional trips with members. Every month we have member meetings throughout the state. In terms of the discussion of this potential public holiday, straightaway those members said, 'We cannot afford to stay open.' Also, it is about population. There are a lot more people here. If I put on a surcharge in South-East Queensland, Dan Purdie might say, 'Nope, I'm not going to go there. I'm not going to pay a surcharge,' but there are potentially five other people who will come along. What about in Innisfail? If five people walk away from your pub in Innisfail, there are not another 27 people walking by. It is about population, so they will not be there. Every time this was brought up throughout the state, the members said, 'No, it will lead us to close.'

Mr DAMETTO: Welcome, everyone. I particularly welcome Bernie. I had an opportunity to talk to Bernie at his regional meeting a couple of months ago. I refer to what you just said about the smaller pubs up and down the coast of regional and rural North Queensland—Innisfail, Ingham, Tully. If those places lose five patrons on Christmas Eve, what do they do? They shut the doors, anyway. The whole social fabric of small towns is that everybody usually comes back to visit family for Brisbane

Christmas and Boxing Day, but Christmas Eve is the night everyone goes out. You will see me and probably another hundred people sitting at the Royal Hotel or the Hinchinbrook Hotel come Christmas Eve.

After canvassing people up and down the coast, it worries me that this committee has just gone through a wage theft inquiry. One thing that came up—and it was mentioned by a lot of people—is the black economy and the fact that people out there in the community will be paying people cash. In terms of the effect of a public holiday like this on small businesses with such a short lead time, I have been told by some people that they will be offering their workforce cash for that night. I think that is a negative impact on the state and a negative impact on the gross tax collected by the federal government as well. Would you be able to speak to how the black economy would affect the Hotels Association?

CHAIR: Yes, Bernie, tell us about your experience with the black economy!

Mr Hogan: Obviously QHA does not support that in any way, shape or form. There is no protection for not only our members but also the workers. I am not certain if a public holiday would force that. I know that in North Queensland it is exactly as you say: there is a large proportion of workers from Cairns right down to the Sunshine Coast who will miss out on those hours because the members just cannot rationalise opening for those hours to burn money or send it out the door. I think it is very hard for us to communicate that to our visitors who come here as part of the tourism industry, in places like Cairns or the Whitsundays. They land here and say, 'Suddenly there is a surcharge after 6 pm. At 6.01 pm I have to pay more for the drink than I did at 5.59 pm.' It is not a great look for us. I think it is a retrograde step.

Mr Lambert: I sit on the Black Economy Advisory Board—the task force. Yes, it is convenient. Especially with all the pressure that has been placed by the Fair Work Ombudsman on our industry, as recently as articles that appeared in all of the newspapers this morning, I am fairly sure that none of our members are going to be taking this opportunity to pay cash. We advocate for 100 per cent compliance and we have always worked with our members, as well as the industry at large, to ensure they pay the award as it is written.

CHAIR: Thank you. I will make no more comment on that, having chaired that inquiry. We found the opposite, didn't we, Nick? However, we appreciate the sentiment from the association.

Mr DAMETTO: It is a worry out there in the community; that is for sure.

Mr HEALY: Thank you, everyone. Bernie, I am sorry I could not see you the other day. It was not intentional. Wes, in your submission you suggested that nearly two-thirds of restaurants that stay open on public holidays use surcharges, and I just heard some comments about the surcharges. Do you think small businesses would adopt a surcharge on Christmas Eve?

Mr Lambert: In our benchmarking report, which, again, is fresh information, yes, two-thirds of the businesses that do stay open will have a surcharge. It is actually becoming more mainstream, although less so in regional areas because it is much more sensitive. However, in the CBDs, which represent 87 per cent of restaurants, cafes and caterers, because of the rising costs and the stagnation of prices, the surcharges are coming and they are coming very fast. We expect that the businesses that remain open will add a surcharge because they just cannot afford the rates. It is nearly \$50 an hour for a casual employee.

Mr HEALY: I take that on board. Like anybody, I go out and I know that on particular nights they let you know there is a surcharge. Good, bad or indifferent, I think there is a general consensus amongst the community that at particular times there are surcharges. There is reluctance, I agree. I was just keen to get your input on the surcharge and the employment of a surcharge. I agree that it may be difficult in regional areas.

CHAIR: Thank you, Bernie, Wes and Dan, for speaking here today as well as Doug and Laura for your attendance. That brings this panel to a close. Thank you for your time and for your verbal and written submissions. We appreciate it.

MANDIGORA, Mr Gus, Senior Policy Adviser, Chamber of Commerce & Industry

STEPHENS, Mr Yale, Head of Public Affairs and Brand, Australian Retailers Association

ZIMMERMAN, Mr Russell, Executive Director, Australian Retailers Association

CHAIR: Welcome, and thank you for making the time to come to the committee's hearing today and assist us with our inquiry. Thank you both for the submissions that you made on behalf of your organisations. I invite you to introduce yourself and then to give an opening statement of no more than five minutes, and then we will open for questions.

Mr Mandigora: Thank you to the committee for allowing the CCIQ to share our points of view. I will start quickly with an introduction. CCIQ is Queensland's peak industry body for small and medium businesses. We represent over 448,000 Queensland SMEs. It is important to note that SMEs constitute nearly 98 per cent of Queensland businesses and they are responsible for 66 per cent of employment in the private sector. I think it is important to round that part off by saying that Queensland is essentially a small business state.

I will move on to a set of macro issues to help to paint the picture of where opposition stems from. CCIQ runs a survey of our membership which takes basically the pulse on economic sentiment. We call this the CCIQ Pulse Survey. During the last couple of quarters business sentiment, business confidence and employment have been going down. It is a bad base that we started off from and it is continually getting worse. It is also important to know that the trend is accelerating in the wrong direction, which means a low base and it is getting even worse.

It is also important to point out the macro issue that came out recently where Queensland now has the highest unemployment rate in mainland Australia. All of these negative numbers are coming at a time when our exports, especially our commodity exports, are booming. It is an anomaly that is caused not by one policy issue, not by one tax and not by one levy but by what we call death by a thousand cuts. We feel that this proposal is the latest cut in businesses that have been cut continuously until confidence has now reached rock bottom.

Having painted the macro issue, I will go to the micro issues to try to bring all of this down to our membership. When we speak about the economic impacts of this proposal, it is easy to talk about numbers like \$31 million, \$116 million or, as another industry group suggested, \$410 million. It is easy to look at that in abstract terms, but in reality this is money that is leaving the pockets and the wallets of lots of small businesses. This is happening at a time when a lot of these businesses simply cannot afford it. We know that because they have told us. We are not just looking at the data; we are looking at what our members are telling us, and they have been unequivocal in saying that they cannot afford this.

Again, we talk about small businesses and we talk in general, but it is important to ground this in reality. It might be the local coffee shop, the local café or the local tour company, but essentially it is a few thousand dollars here and a few hundred dollars there. All of that negatively impacts them, and a lot of them are skating between profitability and loss and this could be the straw that breaks the camel's back. Again, we know that because they have told us.

It is also important to note that the figures that we spoke about earlier—for example, the \$116 million direct wage costs—do not include downstream economic impacts. That is a really big issue, particularly in the regional parts of Queensland, and we feel it is an absolute shame that that has not been taken into account in this case.

I will delve just a little bit more into our members' voices and then I will wrap up with a couple more comments. I am aware that members of this committee have seen our submission and have seen all the documents that go with it. However, it is important to re-emphasise that our members have given a resounding no to this proposal: 48 per cent of members we surveyed will close on the day if this proposal goes ahead and 26 per cent will send their staff home and then do the work themselves. What this effectively means is that the benefits that are touted as a reason for enacting this proposal will actually not flow to the community because so many businesses will close, so many staff will be sent home and a lot of business owners will miss out on the family time that has been touted in the proposal because they will have to do the work themselves. Given that Queensland is the state of small business, this is an awful lot of people who are negatively affected by this proposal, and we feel that the consequences are bad for the community and bad for lots of people within Queensland for this reason.

I have one or two last things. We have been quite vocal in our criticism of the process. We feel that merely counting the numbers in support of this proposal is the wrong approach because the numbers will include individuals with one or two comments, whereas the business associations and a lot of representatives have given considered detailed analysis, so we do not feel that a like-for-like count is warranted or is correct.

Lastly, we feel that, given that we have premised this proposal on studies of South Australia from 2011 and 2012, this is not good enough. This is 2019. This is Queensland. We have a different profile. It is a different time. This data analysis needed to be done before even suggesting this. In terms of final words—

CHAIR: Gus, your time is up. I am very sorry. I thought that was your last point.

Mr Mandigora: No, that is fine. I was just going to close off.

CHAIR: That is okay. You will get an opportunity during questions. I just want to make sure that we also give an opportunity to the other submitter.

Mr Zimmerman: I would like to thank the committee for the invitation to appear today. One of the ARA's obligations to its members and the broader Australian retail industry is to advocate for outcomes that protect their interests and those of the Australian retail sector at large. Today's hearing is certainly an opportunity to do that.

A recent annual audit of the Australian retail membership base showed it comprises 9,515 individual members. We have to do that for Fair Work; it is recorded. These range from major retail groups operating dozens or hundreds of shops—and they are counted as one member—down to mum-and-dad and standalone shops on high streets, who are also counted as one member. Our members operate in some 75,000 retail shopfronts across Australia. We are proud to be recognised as the major representative of the voice of retail.

We believe that the proposal to legislate a public holiday in Queensland between 6 pm and midnight on 24 December each year is very poor policy. While it might sound great to those employees who think of the size of their pay packets and no further, this idea promises an unwarranted and unjustified hit on retail businesses and those in related sectors such as tourism and hospitality that belies either a disregard for or an ignorance of the commercial parameters of those businesses. The case for this proposal is flawed at best and baseless at worst.

I point to the fact that there are 1,700-odd submissions the government has cited as a basis for public support. The vast majority, we believe, are a couple of lines long at most and some only extend as far as a handful of words. These are the kinds of submissions that can be made, for example, as part of an orchestrated astroturfing campaign to create an illusion of mass support that does not actually exist. There is a better indication of support for this beyond unions and kids chasing penalty rates. Realistically, nobody supports this.

The government has said its modelling shows that an extra wage cost as a result of this measure will fall somewhere between \$41.3 million and \$136.9 million. This breaks down to \$9.5 million to \$21.1 million in the public sector for emergency services workers and the like and \$31.9 million to \$115.8 million for private enterprises. The huge discrepancy in this range of projections, with a difference between the low end and the high end of the overall projection almost 400 per cent, suggests that nobody knows what this will cost. If the government believes that these figures are indicative, then the only logical conclusion to draw is that the government does not know either.

As we said in our submission, the ARA strongly suspects that this initiative, if it could be called that, has been announced with a state election date in October firmly in mind. It is difficult to divorce the imagery of government ministers talking about more pay for workers as some kind of bonus from the more cynical view that, with a state election approaching, which media comments suggest will be very closely fought, this is just an exercise seen to dish out the goodies at a time when votes might literally be pivotal. We understand politics. We know these considerations often overlap with major announcements. Of course they do. We completely get that. In fact, one of the main arguments in the government's case for this change seems to rest on the fact that another ALP state government in South Australia did the same thing in 2012. Just because one government legislates a bad policy does not mean everyone should clamour to make the same mistake. Seven years down the track, Queensland is the only state government that has attempted to emulate South Australia. Governments of both political persuasions in every other state have declined to do so. That speaks volumes and once again inevitably turns the spotlight onto the 2020 election.

Let us talk about retail businesses and indeed those in related sectors that will be affected, because that is what has been missing from what has passed for debate on this to date. It certainly has not extended as far as meaningful consideration of how those businesses operate, the challenges

they face and the difficult times they have faced in the retail sector in recent times. It is certainly true that the time leading into Christmas is one of the best trading periods in the year for retail, but retail businesses plan annually. The peak periods and mini booms at times like Christmas can provide retailers an opportunity to offset and weather the slower periods that occur every year. Looking at the bumper Christmas trade and saying that retailers can afford to pay not only is a kneejerk judgement but also completely misunderstands the nature of how retail works in the first place. I would point out that for most retailers around 60 per cent of their profit comes in the lead-up trade to Christmas.

Nationally, the 50-year average year-on-year retail sales growth is, as measured by the ABS, sitting at 3.8 per cent. In the year to August 2019, year-on-year growth was 2.59 per cent, and that was after two interest rate cuts, an above-inflation rise in the minimum wage and pay-as-you-go tax changes delivered by the federal government that handed most taxpayers \$1,080 at tax time. Without those stimulatory measures, 2.59 per cent could easily have been far lower. This reinforces the point that businesses plan annually, not based on disconnected or individual events like Christmas.

CHAIR: Russell, that is time, I am sorry; that is five minutes.

Mr Zimmerman: Okay.

CHAIR: Thank you for your opening comments and statements. I am interested or perhaps perturbed by some of the tone of the comments that you made particularly, Russell. If anything, having chaired inquiries now for five years and having been involved in the robust nature of debate, I think it is very possible to make a strong argument on behalf of one's organisational position without diminishing the argument that others put forward.

I appreciate your comments with regard to the number of submissions that have been received by the government—and I am not here to defend that consultation process and how they are counted, and that is actually something that was raised in the panel before you, Gus—but to say that the submissions that were received from, I am assuming, people affected by it, including workers, are a campaign and not valid in themselves is incorrect. I am not sure if you were here for the earlier comments, but I also asked my own electorate. I am not frightened to hear what the responses are. That is how you engage with your community. Many of the submissions I received, of which 79 per cent did support this, were actually people affected by it. They were workers, so I think that is a valid position, just as I think your position is valid.

I was also—to be honest with you, of all submissions I have ever read—a little surprised by the Australian Retailers Association. It was quite political and deliberately antagonistic to members of the government, of which I am one. Was that your desire to be so in representing your members?

Mr Zimmerman: The answer to that is that we do not see this as good policy and, quite frankly, if it is not good policy then government needs to be drawn out on it. It is not a matter of anything else; we do not see it as good policy from the point of view of where our retailers are. This is going to affect retailers, this is going to force closures and our view is that it needs to be very clearly defined that we do not see it as good policy.

CHAIR: I do not dispute that at all. It is more that I take issue with the tone of the submission and just wanted to make that point, having read submissions for many years. All of the submissions received here today I think were very articulate and intelligent in their presentation, but to attack particular political party members I think is unnecessary, as one of those.

Mr Stephens: May I add to that, Chair?

CHAIR: Yes.

Mr Stephens: In terms of the 14 formal submissions that were published on the committee's web page, there were four from unions which were unequivocally in support of this measure. The other 10 were opposed. I guess the point has to be made that, dealing with the facts as we saw them, I believe—correct me if I am wrong—that all members of the Labor Party are members of unions and the unions appear to be the only people, in terms of those formal submissions, who have expressed support.

CHAIR: I will not debate with you, but I would just say that you have made many assumptions in here which are incorrect. We will move on. Gus, you made the point around many businesses being small businesses, and thank you for commenting on your Pulse survey. Thank you for that survey, information and work of the CCIQ that you provide freely to members. As a member who reads those I am very appreciative of that, so thank you for the work the CCIQ does across Queensland. You mentioned that many of the small business owners themselves will be forced to work rather than have workers in those businesses. Again, that brings forth for me the tension in that I am sure those individuals themselves who may have been home with their families on Christmas Eve will now have

to work, as opposed to workers working. I am not advocating a position, but there is again that tension. Would you acknowledge that Christmas Eve is a special time for families? It is not just any other day. It is often when people are travelling to see their family and it is when they may have to work. I started in retail. I had to work all of those special holidays and was not given the opportunity not to work, so I am just interested in your view about the tension. I know that you are not going to advocate the opposite position, but is that something that has potentially come up through small business owners to say, 'I don't want to work Christmas Eve either and now I'm going to be forced to'?

Mr Mandigora: If I understand the question, it is about the tension between business owners and the interests of the workers?

CHAIR: I think the argument between this being a special day so it should be done as opposed to 'it is too expensive to do it'—that tension.

Mr Mandigora: Okay. Our view is that Christmas Eve may be a special day. I think the RIS spoke about a survey conducted which said that 44 per cent of people surveyed acknowledged that Christmas Eve is a special day. As a comparator, the responses for Anzac Day and Christmas Day were 50-something per cent and 60-something per cent, which is above half. To some extent, yes, there might be support for this, but we do not feel the support crosses a threshold which makes legislating a brand-new public holiday necessary and we also do not think it is equitable. That is our response in terms of the tension there.

Mrs WILSON: Thank you, gentlemen, for coming in today, in particular Russell and Yale. Thank you for your submission. It was very open and I appreciate the views that you have put forward. As I asked the first panel, are you happy with the consultation on these changes that you have had with the various people?

Mr Zimmerman: I would say that the time has been too short in the consultation. I guess my point is that, with the way in which this is going to occur and given that at some point or other there may be a change to enforce this, most retailers will be putting their rosters out six weeks in advance. My comment to that is that if you are trying to put a roster out six weeks in advance then you certainly need to give staff their rosters well in advance to ensure they are available and/or not available or to let them know that they are not going to be employed if you are not going to open. Your time frame is getting very tight to go through the consultation process and then put out a statement as to when it is going to happen and then give retailers the time. Retailers have been looking at Christmas probably since 1 September or earlier.

Mrs WILSON: Did you also meet with the minister at any stage during the consultation period?

Mr Zimmerman: No.

Mrs WILSON: Further to what you have just said about the implementation of these changes, if this legislation is passed in November, what do you think a suitable time frame really would be to ensure that businesses are able to implement changes? Obviously, from what I am hearing and from submissions I have read, this Christmas does not give anyone enough time.

Mr Zimmerman: That is correct. I come back to my earlier statement that retailers realistically need to put six weeks notice out for their rosters. Assuming it was done on 1 November, it would be a huge issue for retailers to try to get their rosters up and ready in time. Realistically, I would have to say that you would need to implement this next year, if you want to give reasonable time to retailers to work this through.

I think the other very important point that you need to remember in all of this is that retailers work through budgets. It does not matter whether you are a small, standalone retailer or whether you are a major chain; you work on a wages budget. If all of a sudden you get a hit to your budget, there are a couple of ways you can fix it. The first is reduce your staff. The second is to look at whether you are going to open or close, or you do it yourself as a mum-and-dad operator. You have these three scenarios. If mum and dad are going to do it—and if we take a typical 7-Eleven type store—if you are going to trade right through the Christmas period you already know that you are going to get a hit for Christmas Day, Boxing Day et cetera. You then have the added six hours in terms of the money that you have to come up with for your staff. In some of these stores you cannot afford to be just a mum-and-dad operator because you have security issues. If you have a security issue you virtually have to employ people, and that may mean you have to decide whether you want to take the risk on security, pay the staff and probably make no money and actually lose money out of it or close the door.

Mrs WILSON: When you have been talking to your retailers, have any of them expressed the views of their staff? Are their staff concerned that potentially they are going to have loss of shifts and loss of income due to these changes if they do come into effect?

Mr Mandigora: When we sent out the survey to our members asking them about this, a fair number of respondents were managers of small business and they had major concerns about it. We are not talking just about the owners of the businesses; we are also talking about staff. They had massive concerns about it and they did not support it.

Mr Zimmerman: Again, I would support that and say that the manager will be responsible for the wages budget and will be responsible back to head office, so there is the issue straightaway.

Mrs WILSON: More so with their staff, as Gus has just highlighted. Have you also received that feedback?

Mr Zimmerman: Yes, the same feedback.

Mr Mandigora: When we are talking about equity, it is important to point out that staff who are sent home because the owner of the business cannot afford to open lose out on income and some of them would have wanted to work, so they do not get these penalty rates anyway.

Mrs WILSON: As you say, some of them have probably already budgeted for those extra periods or hours of work to buy an extra gift for their child.

Mr Mandigora: Absolutely.

Mr Zimmerman: That is correct, and then they will not work and they will not get the money.

Mrs WILSON: Yes. Thank you.

Ms BOYD: My question relates to some of the comments the minister made in her introductory speech in the House. She quoted Rhonda Jenner, who, through her submission in the recent RIS consultation process, said—

If this happens this year, it will be the first one I've had home with family for eight years.

Russell, given your comments that submissions that were only a handful of words should not be given weight, if Rhonda's submission only included that sentence, is it your view that that has less weight or less importance than a submission from the Australian Retailers Association?

Mr Zimmerman: When you consider the number of members we have and the number of people we represent, I think it is very important to remember the number of submissions that were put forward that supported the fact that this should not occur. I think that is the important thing that you have to look at, because there is a weight in numbers from associations where we represent our members.

Ms BOYD: Your written submission states—

Indeed, there exists a mentality within some sections of the union movement (which is reflected to varying degrees among ALP MPs) that "business" is simply a bottomless pit that can be plundered at will for political purposes: That commercial enterprises are greedy, cash-engorged entities that must be milked under the guise of "fairness."

What evidence forms the basis of your statement?

Mr Stephens: Could I answer that?

Ms BOYD: Please.

Mr Stephens: What we have presented in that passage covers a couple of points. Firstly, there is a general allusion to the nature of public comment that we have seen over a period and most recently in the lead-up to the federal election in terms of workers' rights, entitlements, increased pay and so on and so forth. Secondly, it does come back to the point that I made to the chair earlier, which is that it is the unions that seem to be the most enthusiastically supportive of this measure by the measure of the formal submissions that are on the committee web page. Thirdly, by extension, the fact that—and again I stand to be corrected—all ALP MPs, are they not, are required to be—

Mr Zimmerman: Most.

Mr Stephens: Most, is it? They are required to be members of unions. It is obvious that there is some crossover there.

Ms BOYD: It is nice to get it on record. Thank you.

Mr PURDIE: My question is probably to Russell or Yale, and I apologise for blindsiding you with this. I am going to ask you about something that I picked up in another submission, not one of your submissions. Russell, you talked earlier about retail sales figures and how they were down this year on last year.

Mr Zimmerman: Yes.

Mr PURDIE: In another submission it was brought to my attention—I did not know anything about it—that only in 2016 a former Labor state minister, John Mickel, did a report in relation to trading hours. In his findings, after listening to arguments from both unions and employer groups, he rejected a call for a public holiday from 6 pm onwards on 24 December. That was in December 2016, so we are now a couple of years on. What are the economic conditions like now in the retail sector? Are we now in a position where we can substantiate this public holiday or have we gone backwards since 2016? What has changed in the past three years?

Mr Zimmerman: I am pleased you have asked, because over the past three or four years the retail industry has seen a huge issue with the number of recorded retailers that have closed up shop. You only have to think back to Toys 'R' Us—and I can sit here and give you a list of names of retailers that have got themselves into difficulties. I am not going to say that that is all about wages. I am certainly going to say that we are in an incredibly different environment now. We are in an online environment and retailing has changed dramatically. Having said that, retail generally is much slower than it has been over the past certainly four or five years and since that came out in 2016. I think I quoted a number earlier of about 2.59—

Mr PURDIE: I think you mentioned three-point-something for last year.

Mr Zimmerman: Yes, and the 50-year average is 3.80. We are sitting well below the 50-year average. Certainly in the past few years we have seen a tremendous downturn in retailing in most areas.

Mr Mandigora: From what we see at CCIQ, across the board currently business confidence is at its worst level since the global financial crisis. That is one issue. Conditions are worse than in 2016. Secondly, we have done some data crunching and we have seen that there are up to four bankruptcies per day every day within Queensland. Thirdly, I mentioned earlier that all the trends around business confidence, around hiring intentions, around profitability are on a downward trend off that already low base. Again, to go back to answering your questions, things are considerably worse than in 2016. There is no good time, in our view, to introduce a policy like this. This is the worst possible, in our view.

Mr PURDIE: Gus, I was trying to keep track of the figures that you were giving us in your opening address. I thought you raised a good point about the number of SMEs that you represent. Did you give the percentage of how many of those are family-run businesses? Did you say that most of them are?

Mr Mandigora: I would need to look up the specific number that are family based. The overwhelming majority are small businesses with fewer than 20 employees.

Mr PURDIE: I do not need you to give me the exact figure. I think Bernie Hogan from the QHA also raised the point that most of the regional pubs and clubs that they represent are family-run businesses. I think it was you who suggested that essentially part-time and casual staff will not benefit from this loading as they will miss out on the shift and the mums and dads who operate the small business, the pub, the restaurant or the retail shop will end up manning it themselves. We are trying to paint this beautiful picture of families sitting around a freshly baked turkey on Christmas Eve. I am a new member of parliament and before that I was a police officer for 20 years. I have rarely had Christmas Eve, Christmas Day or other public holidays at home. In reality, most people I know on Christmas Eve are having some knock-off drinks or frantically trying to do their Christmas shopping to get home to prepare for Christmas Day. Do you think that in reality employees, particularly casual employees, are not going to benefit? We are painting a picture of mums, dads, families and everyone sitting around a roast turkey, but essentially that will not be the case because a lot of those mums and dads own businesses and they will have to work. I am trying to see who is going to benefit from this. Who will benefit from this loading if families have to work and casual employees do not get a shift?

Mr Mandigora: To sum up our answer, the net effect on the community will be overwhelmingly negative. First, one of the benefits listed is penalty rates for employees who have to work. Forty-eight per cent of our members have said that they will close if this happens, so workers will not get that benefit. Secondly, one of the benefits touted is that there will be more family time as a result of this. Again, those mum-and-pop stores where mum and pop have to work do not get that family time. When you consider all of that together: the net benefit in terms of wages—negative; net benefit in terms of family time—negative. When you add the current economic conditions within Queensland, it adds yet another burden to businesses that have said unequivocally, in their own words, that they cannot afford this. It is a net negative all round.

Mr Stephens: Can I add that about 85 per cent of our members would be small independent retailers.

Mr PURDIE: Russell, would you confirm that most of your members would essentially not pay casual staff the extra loading but would just work themselves?

Mr Zimmerman: Yes.

Mr PURDIE: So the vision we are trying to paint of sitting around a Christmas Eve turkey is not necessarily going to be the case for a lot of those families?

Mr Zimmerman: If you are a Coffee Club or a 7-Eleven, you are still a small retailer. You might have a big brand name in front of you, but you are actually a small retailer. It is a mum-and-dad operator and they will be forced to do it themselves wherever they can.

Mr Stephens: I reinforce the point that the members I have spoken to have said that they will cut staff numbers, work themselves and not have people on shift or simply close. The message has been quite consistent.

CHAIR: Gus, Russell and Yale, thank you very much for taking the time to come and put the views of your associations and stakeholder group before us. Thank you also for making written submissions to the committee. Parliamentary committees always appreciate that you take the time to do that and to bring differing views to the debate.

AHERN, Mr Luke, Member, Shop, Distributive and Allied Employees' Association Queensland Branch

BAKER, Ms Larissa, Member, Shop, Distributive and Allied Employees' Association Queensland Branch

CLIFFORD, Mr Michael, Acting General Secretary, Queensland Council of Unions

GAZENBEEK, Mr Chris, Branch Secretary, Shop, Distributive and Allied Employees' Association Queensland Branch

MARTIN, Mr John, Research and Policy Officer, Queensland Council of Unions

MASTERTON, Mrs Maria, Member, Shop, Distributive and Allied Employees' Association Queensland Branch

SINGLETON, Mr Brett, Member, Shop, Distributive and Allied Employees' Association Queensland Branch

STRATHDEE, Mr Paul, Member, Shop, Distributive and Allied Employees' Association Queensland Branch

CHAIR: We will start with the QCU. We will give you five minutes to make an opening statement. Obviously, we have received your submissions and have read them. We will then go to questions from the committee. I have had to be quite strict around allowing five minutes for opening statements and then about five minutes of questioning per member, because we are restricted by time. Welcome to you all and to those who may be called forward to speak from the gallery. Michael, would you like to open with your statement?

Mr Clifford: We support the bill. The Queensland Council of Unions has put in a submission, so we will rely on that submission for our input. I would draw attention to the fact that we think the hours between 6 pm and midnight on Christmas Eve are an important time for families, communities and friends to get together. A lot of families actually start to celebrate Christmas on Christmas Eve. People have different branches of families. You cannot catch up with everybody on Christmas Day, so a lot of people utilise Christmas Eve to do just that. There are religious services on Christmas Eve that also make it important for people to be able to participate in those things. A lot of people travel as well to get to Christmas Day functions. It is an extremely important period and, again, we go into that in some detail in our submission.

We would say that those people who do have to work should be appropriately compensated for missing out on what is important family and community time. We think that, through this bill, they will be able to do that. The other thing is that, given that it would be a public holiday, people would have greater rights not to work during those periods. We think that is important as well.

The final thing I will say is that, in terms of concerns around additional costs, the committee would be very aware that since 2017 there have been reductions in penalty rates on public holidays and Sundays that have had a significant impact on many of the employees who might benefit through the provisions of this bill. We have seen that people in the Fast Food Industry Award, the General Retail Industry Award, the Hospitality Industry Award, the Pharmacy Industry Award and the Restaurant Industry Award all had penalty rates cut on public holidays and Sundays. That has benefited businesses and has disadvantaged employees, so we think the concerns about increased costs certainly are mitigated in light of that.

Mr Gazenbeek: I would also state that we have made a comprehensive submission on behalf of our members. We have also had several thousand submissions made by members, strongly supporting Christmas Eve to be legislated as a public holiday. I will take you through our opening statement. The Shop, Distributive and Allied Employees' Association, SDA, Queensland Branch represents the interests of over 32,000 retail, fast-food and warehouse employees across a vast range of businesses, both large and small, throughout our coverage area and throughout the state of Queensland. Our main role is to improve and protect our members' wages and working conditions and ensure that members have a reasonable work-life balance. That is why the Palaszczuk government has our unwavering support for Christmas Eve from 6 pm to be legislated as a public holiday.

SDA members from all walks of life have made submissions as to why Christmas Eve should be a part-day public holiday. In fact, 89 per cent of our members strongly support and want Christmas Eve to be a part-day public holiday. For example, an SDA member, Carina, wants Christmas Eve to be legislated a public holiday because she has a young family, would love to be home spending the night with them, putting their stockings out for Santa and singing Christmas carols with them. They will not be young forever, so she hates missing those special moments whilst she has to work.

Cassandra says it is time to be spent with family and friends and to go to church. Trade in-store is not that much after 5 pm, as people come in early, get what they need and go and spend time with their families and friends and go off to church services. One might say, 'But what about those workers who choose to work on Christmas Eve?' Those workers will benefit from the public holiday penalty rates, ensuring more money to spend at maybe their local retail outlet or an extra meal at their favourite fast-food chain. Pip works night fill from 7 pm until 11 pm or midnight. She does not get to spend Christmas Eve with her young children. Knowing that she would be getting public holiday rates would assist her immensely.

Our member Suzanne wants Christmas Eve to be legislated a public holiday because she is 60 years old and, growing up, her mother always made Christmas a magical time. These days, Christmas Eve for her is a time to reflect on all of those wonderful times by sitting home and watching the Christmas carols on television as she did every year with her mother. Since working at night-time in night replenishment in a supermarket, this will be the third Christmas she has been unable to do that. Her beautiful mother has now been gone for 12 years. Living alone and not having her own family, Christmas Eve has been one of solace and sentimental memories. She deserves to be paid more for giving up a long-held tradition that only occurs once a year.

Retail, fast-food and warehouse workers should be entitled to time off on Christmas Eve just like many other workers in other industries who have Christmas Eve off. It is an important time of the year. The lead-up to Christmas, particularly in the retail sector, is extremely hectic with employees having to deal with not only a high volume of customers but also rude and abusive customers, leaving employees totally exhausted which makes for an ordinary Christmas Day for them and their families.

Like Rebecca has said, it is a time that should be shared with families. It is a time when parents organise Christmas Day, presents, food and festivities. It is the beginning of a few days of time off with families and friends. It is the time to slow down and remember what Christmas is really about. Working in the retail industry, we sometimes lose the real meaning of it because it is all about gifts, money and stress.

Christmas Eve is also a time of cultural celebration for some of our members, like Marita. She has worked as a shift night filler every year, unless it was her normal night off, even when her kids were younger. She is of German heritage, and Christmas Eve is when Germans celebrate Christmas and exchange presents. She has been missing from her family gatherings for many years, as her family still holds this tradition despite now being Australian citizens.

Today we have here five courageous SDA members—three who work in our warehouse and distribution centres in the south-east of the state and two who work in retail. They want to share their respective views on why Christmas Eve is important to them and their loved ones and why they believe it should be legislated as a part-day public holiday, so I might turn to them in a moment.

In conclusion, I have stated on behalf of all SDA members and their families a range of reasons why Christmas Eve should be legislated as a part-day public holiday—whether it be for family reasons, to attend church services, to choose to not work or work and then earn some extra income, due to the unsociable time of the work and a personal reflection, or due to family traditions and culture. For all of these reasons outlined in our submission, once again I commend the Palaszczuk government for proposing this legislation. On indulgence, if we could have our individual members speak.

CHAIR: You have about a minute and a half left in your opening statement so you could briefly use that opportunity, but it might come out in questions as well. I am happy to give up my first question because I would like to hear their views to try to get some overall balance to the debate. I just warn you that it might be short.

Mrs Masterton: Both my husband and I work shiftwork in the industry. Working nights is tiring work. You have to fit in sleep somewhere, so even getting things done during the day is really hard. We could have Christmas Eve off to just recover. We have custody issues with our grandchild and that is the only time we get him. There are lots of issues that would make it really good for us to have that off. The monetary issue is not it. It is the option to have that night off, to not have to work.

Mr Ahern: I have been working in the distribution centre for 22 years. In that 22 years I think I have had two Christmas Eves off through the company. Other than that, it has been unavoidable for us to work due to many decisions within the Coles group. There are all of the things that I have missed out on with my kids. My kids are older now. I do not want to see all of my members and my friends go through the same things that I have missed out on throughout the years. You are staying up until three in the morning trying to put presents together and you are knackered the next day. There is a lot of pressure on my other half to drive to places, to help out cooking and to do things for the kids. It puts a lot of pressure on the family. You are missing out on the true meaning of Christmas, putting the things out for Santa Claus and the reindeers. There is a lot that you miss out on.

Mr Singleton: I am much along the same lines as Luke. I have worked in distribution for 25 years in afternoon shift, and I have pretty well missed out on seeing my kids grow up. The youngest fellow is now 18. It puts a lot more pressure on my wife to have to do all of these things to get ready for Christmas. I work through to midnight so by the time you get home and get to sleep you are pretty well bugged anyway, especially when the kids were young and it was up early for the kids because they are up when the birds basically wake up. A lot of my members on the floor are big supporters of this because they have young families. It would be a big benefit.

CHAIR: We will open now for questions. Thank you all for making your contributions. I do apologise because of the time pressures. I do not like to rush you. I appreciate you coming here today and giving up your time potentially from work.

My first question is a general one so I am happy for any of you to start. We have seen in written submissions and also heard the strong statement this morning from different employer association groups passionately on behalf of their members that this change if passed would actually cost workers in Queensland because businesses would close and therefore they would lose hours and money for their families. Maria, you actually addressed that quite directly in your opening statement. For you, it is not about the money; it is about what you have missed out on. I am interested in that question and I pose it to Michael, John and Chris, given you represent workers. What are your thoughts in that regard?

Mr Clifford: It is certainly not a concern that has been raised with us by any of our affiliate unions. In turn, I suspect that is because their members have not been raising it with them as a concern. If you think about a lot of the people who will work, it is emergency workers and it is people in hospitals. There will be a lot of people who still need to work. They will not stop working because this becomes a public holiday. What it does mean is that those people will be appropriately compensated for doing that work. There may be some small businesses where they might otherwise operate and decide not to in this set of circumstances. My personal view is that that would be minimal. If so, the added benefit, as has been said, is that people get that family time.

Mr Gazenbeek: I think that is succinct. I do not think I can add to that. Many of us work here in the city and we see at weekends that a lot of the small businesses are closed because there are not a lot of people venturing in. Our view is that, if small business choose to close, that is a choice they make. If they choose to open, again that is their choice. If they employ people, it is like any other public holiday or any other penalty rate time. They would need to pay the appropriate industrial rates that are required. The benefit to I guess our members is that they have the choice as to whether they work or not work, whereas if it is not a legislated public holiday that choice is not extended to them. Unfortunately, we cannot rely on employers to always look after their best interests.

CHAIR: There has been a real debate about the importance of Christmas Eve and whether it really needs to be another public holiday and why we are doing this. In fact, my colleagues were talking about painting some picture about a roast turkey. I am interested in hearing from the employees you have here. Is it a special day? Is Christmas enough? What are you missing out on? What has been the cost? I am trying to hear both sides of the quite impassioned debate about this issue.

Mrs Masterton: Being the woman here, I can say that Christmas Day takes a lot of preparation. We all know that. Even if we do something simple, there is a lot of preparation and there is a lot of stress. We are trying to fit it in as well as deal with stressful customers, like they said. Everybody is stressed at Christmas. It is just the nature of the time of year. We are trying to make things perfect. We would be able to start those preparations earlier in the night rather than after midnight, as they said. In my case, I do not get home until four in the morning. We do not have the option. We are understaffed all of the time; unfortunately, that is big business. We just do not have the option to take that time off. We are pushed and pushed leading up to Christmas because of the volume of things going through stores.

CHAIR: I would imagine leaving work at 4 am would not make you the happiest and most awake person on Christmas Day, so I appreciate there are those effects too.

Ms Baker: For me, Christmas Eve is very important because it enables me to spend time with my family. We often have a dinner before Christmas Day. Therefore, it allows me to be able to do that without feeling the pressure of needing to go into work.

CHAIR: And you have had to work Christmas Eves before?

Ms Baker: I have previously, yes. I have worked for Coles for seven years and I am a shift supervisor in service so quite often I am the one who is doing that shift.

Mrs WILSON: Thank you all for coming. I do relate to how hard it is. My husband works shiftwork and so does one of my sons. I have a large family, so when we are talking about getting family dinner and everything ready I know it is extremely difficult. My first question is to the unions. When did you start advocating for these changes?

Mr Gazenbeek: Certainly, from an SDA perspective, we started publicly advocating within our own membership base in about 2015. It is an important issue. It is an issue that has been raised through many enterprise bargaining negotiations, where we have had companies that just simply will not recognise it. We had some successes, where some employers will allow for people to re-roster and change their hours if there are enough volunteers, but they have to make up that time. Many employers simply will not allow employees to finish work at 6 pm, at what we regard is a reasonable time for people to go home and spend time with their families.

We have a lot of sole parents in the industry. They are juggling children, shared custody and responsibility. There is a lot of travel around that time as well, so it gives them an opportunity to spend some time to travel. They can spend time with one side of the family perhaps on Christmas Eve and then have Christmas Day. As you know, on Boxing Day in retail and the hospitality industry it is straight back into it for the sales.

Mrs WILSON: Have you met with or spoken to the minister and her department about this new public holiday?

Mr Gazenbeek: Have I spoken to the minister?

Mrs WILSON: Yes. When have you been speaking to the minister and her department about the public holiday?

Mr Gazenbeek: I have spoken to numerous people about this proposed public holiday, including many members of parliament, over a period of time about the importance of it and advocating for it. It is no secret that we have been running a public campaign since about 2016 to lobby the government to ensure that this important day is legislated as a public holiday. I have spoken to many people.

Mrs WILSON: In regard to Coles and Woolworths, my understanding—and please correct me if I am wrong—is that, due to EBAs, these legislative changes potentially are not going to affect their staff. Am I correct?

Mr Gazenbeek: As a result of the retail trading hours legislation, the trading hours review that occurred a couple of years ago, the trading hours cease at 6 pm, but there were also changes that were made prior to Christmas. Shops can now trade up until midnight from 18 December to 23 December. That puts on a lot of increasing pressure and makes it more difficult. There are pressures on them and their families, yet all of the non-exempt stores by legislation have to close at 6 pm. However, there are many thousands of workers who continue to work in the distribution centres who are represented here today. There are also many thousands of workers who still have to go in and work in replenishment duties after 6 pm. The only way they will have the right to choose whether they want to work or whether they go in and work and receive the public holiday penalty rates is if it is actually a legislated public holiday.

Mrs WILSON: But if these workers are on EBAs, that is not going to be the case. Am I correct in saying that?

Mr Gazenbeek: No, that is not correct. If a public holiday occurs, the provisions within the enterprise agreement will, because of legislation, recognise that as a legislated public holiday. Therefore, the voluntary nature of that will benefit those employees. If they choose to work it, they will get paid the public holiday rates. If they choose to not work it, they will be remunerated by just their rostered hours that they would have otherwise worked and they will get to spend that time with their family.

Ms BOYD: Thank you very much for appearing before us today. We have had a lot of submitters before us this morning in this hearing with a very doom and gloom outlook in terms of what this provision will mean for Queensland in respect of the cost impost, the profitability of business, the Brisbane

profitability for particularly mum-and-dad small businesses and the dire impact of those employers actually having to work shifts themselves rather than pay employees to do it. One of the things that is always very front of mind for me is that there are in fact many thousands more employees who are very directly impacted by the decision for public holiday rates of pay and penalty rates more broadly to be paid or not.

I want to particularly pick up on the protection that comes with Christmas Eve being made a public holiday and to not have that coercive pressure for people to have to work. From a union perspective, what rights come for employees who say, 'I value staying at home with my child'? This Christmas will be my first as a mum. What is the value to you in saying, 'I don't want to do the shift that takes me through until 4 am. I want to spend that time at home with my child'? Can you talk me through a little more what that empowerment would do for people in terms of being able to say to their employer, 'I choose not to work'? Can I also have an industrial perspective on what those rights will be explicitly?

Mrs Masterton: Under our EBA, which we all voted for, when it comes to any public holiday we have the right to say, 'No, I am not available to work,' and that is it. We cannot be forced to work. We cannot be coerced into working. We have the right to say no. When it is not a public holiday we get a lot of downward pressure from management saying, 'We need you here. You have to be here. You can't have the day off.' We get that all the time. When it is a public holiday, people can say, 'No, I am not available to work,' and they cannot pressure us because that is our right. It is really hard to say no when you are being pressured constantly. When it is a right we get the chance to say no.

Mr Clifford: In terms of the industrial rights that people would have, there may be rights under different enterprise agreements or awards, but the National Employment Standards have a right which allows people to not work on a public holiday or certainly increases their right to not work on a public holiday. From that perspective, it provides much stronger rights for workers to have that time with family and friends and be in the community. I do not have the actual provision, but we can provide the provision of the Fair Work Act to you for your information.

Mr Gazenbeek: Michael is correct. The National Employment Standards and the Fair Work provisions simply provide for where there is a reasonableness to not work. I guess that is the question: what is deemed to be reasonable in one person's mind? An employee can request to not work that time. There are strengthened provisions both federally in the act and, as I understand it, in the state legislation. The mere fact and the need to legislate it as a public holiday certainly strengthens that ability for people to voluntarily choose not to work at those times.

Mr Clifford: I wanted to go to the other point you raised about the cost impacts, which is where I think you started your questions. We can look at the penalty rate reductions that people have suffered since 2017. The Australia Institute did some research earlier this year. On their research, in the cluster of public holidays around Easter—in April 2019—workers were losing \$80 million. I find it a little rich that the argument about these laws is the cost when we have seen such significant reductions in penalty rates for workers. Workers have suffered three years of penalty rate cuts in terms of public holidays and Sundays, and here we are talking about six hours when many businesses would not operate at all. For those businesses that do, paying a few hours of additional penalty rates to workers because they are being robbed of that time with their family is not a huge deal.

Ms BOYD: Agreed.

Mr PURDIE: It appears to me that the biggest issue is giving people the power to not work on Christmas Eve if they so choose. I appreciate all the witnesses who have told their stories. You might have missed what was said earlier. I am a former policeman and for 20 years I rarely had Christmas Eve or Christmas lunch at home so I appreciate what you are going through.

Chris, in your submission I do not think you really talked about penalty rates. Michael, we have just heard that you do not think it is much of a financial impost to do this. Previous submitters such as the QHA and the Retailers Association gave percentages of how many of their small businesses, regional pubs, restaurants, cafes and retail shops will have to close and said that, subsequently, casual workers will not pick up a shift at all. They gave percentages of the net deduction for workers. They might need that shift to pay for Christmas.

I am wondering whether this is the best way to address this. Is just giving people more power to say 'I do not want to work on Christmas Eve' the answer, as opposed to imposing this public holiday on everybody, essentially affecting a lot of small businesses and family-run businesses? We heard the percentages. Michael, you said before that you thought minimal businesses would close. Bernie Hogan, the president of the QHA, said that South Australia implemented this and it is now like a ghost town on Christmas Eve. They have given statistics to say that it will impact casual workers. They will

not get shifts and places will close. We are doing this when all we are trying to do is allow people—people like police officers—to say, ‘I want Christmas Eve off.’ Are we attacking this the best way to address the issue of concern for people?

Mr Martin: I think perspective is probably necessary. If what they are saying is correct—and I do not know whether you have been to Adelaide—regarding the ghost town analogy, the worst case scenario with what they are suggesting is six hours pay. If you are a casual worker and the suggestion is that workers will be disadvantaged, I do not see that as being a tremendous cost to the worker for what they receive in return.

Mr PURDIE: I understand what you are saying, but I also understand that a regional pub all of a sudden has to pay double time and a half. They have to double the amount of alcohol they sell or the meals they sell just to be viable. The reality is that they are probably going to close. We are not talking here about Woolies and Coles that can no doubt absorb this cost. We are talking about the thousands and thousands of small businesses in the retail and hospitality space that cannot afford to double their gross intake on that night so will shut and their casual staff will not pick up any hours at all.

Mr Clifford: Mr Purdie, we were here for a little bit of the last session. I thought what was being talked about was the percentage of small businesses that were represented, not necessarily the per cent that would close. I might be wrong on that.

I wonder sometimes about the arguments in the trade-off between jobs and penalty rates. When penalty rates were cut over the last three years we were told that if we could cut penalty rates we would create a whole lot more jobs. In fact, that has not been the case at all. There has virtually been zero growth in retail jobs because of those penalty rate cuts. There has been very marginal growth—much lower than the average growth in jobs across the rest of the economy—in the hospitality sector. When we look at the sectors where penalty rates have been cut, job growth has been significantly lower than in sectors where penalty rates have not been cut.

It is hard to accept the argument that attaches to whether or not a job is going to exist because you slightly increase penalty rates for a few hours on Christmas Eve when we have seen that the reverse argument, about jobs being created with the cut in penalty rates, has not eventuated at all. All it has meant is that workers have lost money.

Mr PURDIE: I appreciate that. My point is that we have heard some good submitters earlier today give percentages. Someone said that two-thirds of their clients close on the Christmas holidays because they cannot afford the penalty rates. They are suggesting that that might be similar on Christmas Eve.

In all the heartfelt submissions we have heard today it has been all about giving people the ability to take the night off if they want to, which I am fully supportive of, but we will essentially create an adverse economic impact on industries, particularly in regional centres, by empowering people to say, ‘I want to go home and spend the time with my kids.’ I am not sure this bill addresses your concerns without having adverse implications on other levers. We talk about downstream economics. It does empower you—and I appreciate that, having been a police officer with young kids—but the downstream economic impact is that we are potentially going to have adverse implications in regional areas.

Mr Gazenbeek: In the SDA submission we speak about the benefit of increased wages through penalty rates. We have not taken you right through the submission today because we just wanted to talk about—

Mr PURDIE: I did have a look at it this morning.

Mr Gazenbeek:—increased penalty rates. We actually state that there is a right to refuse working unsociable hours. Commensurate with that, we believe that people should receive the appropriate penalty rates. If businesses choose to close, our view is—and we believe that there is some evidence of this—that it could simply be a delayed spend. In terms of the penalty rates that people earn for working a public holiday and the extra income they earn, if stores—say, small businesses—close at a particular time, we believe there will be a delayed spend of that income perhaps in the days that follow.

You need to be considerate of the arguments that there might not actually be a net economic impact on those businesses if you look at the spend over a longer period of time. In terms of the costings in South Australia, I note the costings in the report that was post the first Christmas Eve and New Year’s Eve public holiday were far less than the Treasury estimates. I contend that a similar thing will probably occur here in Queensland.

Mr Martin: I would like to go back to perspective. It is six hours out of a year that we are talking about. I would be very surprised if this had any impact on employment. The impact on those workers whom you suggest might be financially disadvantaged would be pretty minimal. It is six hours pay out of your annual income.

In terms of the electorate that you represent, for example, I cannot see—and I may be a little flippant about the experience in Adelaide—everyone in a place like the Sunshine Coast shutting up and going home at six o'clock. I do not think that is going to happen. I think there will be decisions made by individual firms as to whether or not they remain open. I cannot see some of the more economically active areas being adversely impacted to the extent that has been suggested. Nor can I see any impact at an aggregate level.

Mr HEALY: Michael Clifford, you have already answered my question, but I will go along with it anyway. In terms of the penalty rate reduction that has already taken place, I was going to ask you whether you are aware of any statistics or information around what the impact has been. You have already addressed that in the sense that there have not been any benefits to the workers; is that correct?

Mr Clifford: That is correct. From the workers' point of view, people have lost significant amounts of money. There are various reports around that we would be happy to provide to the committee that show the extent of that loss. It is particularly heavy in Queensland. Two federal electorates in Queensland have lost more money than any other electorates in the country. As I said before, job creation in those sectors that have had penalty rate cuts has actually been less than job creation in those sectors that have not had penalty rate cuts. We would be happy to provide those figures to the committee.

Mr HEALY: I would be really keen, if I could be so bold as to make a request, to have a look at those. I did not get a chance to say anything to the representative from the Australian Retailers Association, but I do not think there would ever be a suitable time to apply something like this. I also appreciate the fact that we have significant impacts on what is happening in the retail space. Last month around Australia I think 12 per cent of acquisitions were made online. Whilst that does not impact restaurants, hotels and pubs, I think there are so many other circumstances impacting consumer confidence. I have worked in retail and have been responsible for retail performance. When I go out on Christmas Day or New Year's Eve or a public holiday, I expect to pay a little bit extra because I appreciate it. You would have to be living under a rock if you could not pick that up around this country.

CHAIR: I will take that as a comment rather than a question, member for Cairns.

Mr HEALY: That is probably a good idea, yes.

Mrs WILSON: I have a supplementary question for Michael and John. I know that Chris answered this before. Are you able to speak to how many times the Queensland Council of Unions has met with the minister or her department in regard to this proposed new holiday?

Mr Clifford: We have not met with the minister or her department in relation to this. The SDA have done a tremendous job campaigning around this particular issue on behalf of their members. It is something that affects their members greatly. The SDA has taken the lead, and we have provided support wherever we can.

Ms BOYD: I was doing some research last night and I happened upon an article in which the Restaurant & Catering Industry Association of Australia was advocating for a further reduction in penalty rates because of 'new economic circumstances'. I wanted to hear your remarks in the context of this discussion about the Fair Work Commission revisiting cuts to penalty rates and what that would mean for low-paid and vulnerable workers.

In addition to that, in their submission they talk about Nando's and Ribs & Burgers restaurants, who have negotiated EBAs and therefore will not be as adversely impacted through an additional penalty rate holiday. On my understanding of industrial relations, that means that they have absorbed the cost of penalty rates into the flat hourly rate for employees through the life of the EB. In fact, they are paying penalty rates as a loaded rate in the employees' hourly rate. Can you remark on those two things, please?

Mr Clifford: On the first part, there is a continuing push, if you like, to reduce penalty rates in a range of areas including hairdressers. I have read that there is a push to reduce penalty rates in that area. What I would say generally about the effect of that is that I think it is broadly recognised that we have a wages crisis. The Reserve Bank has said as much. The federal Treasurer has alluded to it at least, even if he has not used those particular words.

We have Treasury forecasts of wage growth which suggest that we should be at 3.25 per cent wage growth by 2021. If we are going to get there then we have to do something to increase wages, not to decrease wages. Any further cuts to penalty rates will put further downward pressure on wages. It will affect small businesses. It will affect retailers. We would suggest that the reason the jobs growth in retail just has not been there is that there is no economic activity stimulated by decent wage growth.

I am not suggesting that this on its own is going to be the saviour of the economy, but these sorts of initiatives, which actually put a few extra dollars in somebody's pocket, which actually help workers, which give workers a bit more confidence—albeit a small thing, to pick up John's point about perspective—are actually better for the economy, not worse. I think cutting penalty rates is worse for the economy.

Mr Gazenbeek: That is right. Some reports have been done. There is one report from the McKell Institute that says that many millions of dollars have been taken out of the pockets of retail, hospitality and fast-food workers as a result of the reductions in penalty rates. These are the very people who generally spend their disposable income in those stores where businesses want to make a profit. It is superfluous.

The one thing that really frustrates me as a union official—and I have been in the union for nearly 30 years now—is that every time there is a suggestion that a financial benefit would be made through penalty rate increases, wage increases or public holiday benefits, employer organisations jump up and down and say the world is going to end. We are still here. Businesses are still operating and they are still making profits. Yes, it is a difficult time economically. I think there is a wideranging set of reasons for that, but we would be very concerned—and we would ensure that we did everything we could to protect the interests of our members—if there were further penalty rate cuts.

CHAIR: The time for this hearing has expired. Michael, John and Chris, thank you for your strong advocacy on behalf of those you represent and also for providing a counterargument to many of the arguments that we have heard this morning so that we have some balance within the inquiry. Maria, Luke, Larissa, Paul and Brett, thank you for being willing to come and talk to us about your personal experience. I appreciate that this is not always the most comfortable environment to come into, but committees always appreciate hearing frank and honest information from stakeholders.

There was one matter taken on notice by Michael. If you could provide a response by midday on 29 October, it would be appreciated, although I am sure you will get it to us faster than that. The secretariat will be in contact about that. I thank Hansard, members of the committee and all who have appeared today. I declare the hearing closed.

The committee adjourned at 1.19 pm.