

Penalty rates decision a win for small business



GEELONG is a city that thrives on small businesses.

Whether it's your local corner milk bar, favourite cafe or restaurant, florist or dry cleaner, everyone knows someone in Geelong that either works in or operates a small business.

The role of the Geelong Chamber of Commerce is to advocate for those small, often family-owned, businesses — some 16,000 of them in Geelong.

One of the major issues the chamber has long lobbied for is a fairer system of penalty rates on weekends, specifically Sundays, and public holidays for small business operators.

We've made submissions to the Fair Work Commission on this subject on the basis that unsustainable levels of penalty rates were hurting the capabilities of small businesses in the hospitality and retail industries to operate on days when demand for services is at its peak.

Penalty rates, particularly on Sundays and public holidays, have been a major limiting factor for many small businesses, impacting their ability to employ staff or offer more hours to existing staff.

In conjunction with the Australian and Victorian Chambers of Commerce, we've advocated for a reduction in pay rates to assist businesses to grow.

This week's decision by the independent umpire followed one of the most extensive evidentiary cases ever heard by the commission.

In handing down its findings, the commission said that existing penalty rates were restricting trade, lowering staff levels and restricting the type and range of services provided to our community.

While I appreciate the concerns raised by commentators about the impact to workers' pay packets with this decision, in the long-term, those workers may actually benefit from

being able to secure a Sunday shift or a public holiday shift from their employer when that might not have been the case in the past.

I've spoken to many small business operators and they've expressed concerns to me about the impact paying weekend penalty rates has on their ability to not only employ staff, but to be able to open their businesses on Sundays with enough staff and without operating at a loss. In many cases they have chosen not to open as the costs were simply too prohibitive.

Addressing Geelong's youth unemployment rate, which is currently ranked among the highest in the state, is one of the most pressing issues for our region to address.

Youth unemployment in our region is also among the highest in Australia, so any steps that can be taken to assist small businesses in offering jobs to young people will

have significant socio-economic benefits. Removing barriers to business creates opportunities for more people to access jobs in our region.

By reducing Sunday penalty rates, cafes, coffee shops, restaurants and retail businesses in Geelong will now have the capacity to employ more casual staff or offer more hours to their fulltime or part-time employees.

We all want to see young people getting a start in the workforce and being rewarded for their efforts in creating a thriving and healthy business community.

With Geelong's economy steadily reinventing itself from its traditional manufacturing base to a new economy based on service and technology, our growing small business sector plays a crucial role in generating employment growth.

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